Anglo-Mauritius
ANNUAL REPORT
2013

Anglo-Mauritius ANNUAL REPORT **2013**

THE ANGLO-MAURITIUS ASSURANCE SOCIETY LTD

Swan Group Centre / 10 Intendance Street / Port Louis / Mauritius

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anglo@intnet.mu / www.swangroup.mu

Swan Group

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of **The Anglo Mauritius Assurance Society Limited** for the year ended 31 December 2013.

This report was approved by the Board of Directors on 25 March 2014.

M. E. Cyril Mayer

Chairperson

J. M. Louis Rivalland

Director and Group Chief Executive

CONTENTS

OUR VISION

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

OUR VALUES

Passion, People, Performance

OUR HISTORY

THE EARLY YEARS

1854
Creation of The Mauritius Fire Insurance Company Ltd.

1871
Creation of The Colonial Fire Insurance Company Limited.

EXPANSION OF THE GROUP

1951
Creation of The Anglo-Mauritius Assurance Society Limited.
The company proposed life insurance policies for individuals and the management of pension funds for companies.

1955
Creation of Swan Insurance Company Limited, a fusion of The Mauritius Fire and The Colonial Fire.

1961
Swan Insurance becomes a public company with a capital of Rs 3.5 M

DEVELOPMENT

1966
#1 Inauguration of Anglo-Mauritius House, first multi-storey building in Mauritius

#2 Construction of Swan Building.

1972
Swan Insurance acquires a majority stake in the Anglo-Mauritius Assurance Society Limited.

A NEW ERA

1990
#1 Anglo-Mauritius is listed on the OTC (now DEM) of the Stock Exchange of Mauritius.

#2 Swan Insurance is the first Insurance company to be listed on the official SEM market.

1993
Construction of the Swan Group Centre.

1997
Creation of Swan International Company Ltd (SIL).

2004

#1 Creation of The Anglo-Mauritius Financial Services Ltd (now Anglo-Mauritius Investment Managers Ltd), a subsidiary of Anglo-Mauritius.

#2 Anglo-Mauritius acquires Pension Consultants and Administrators Ltd (PCA).

2006

Swan International Company Ltd (SIL), in partnership with Seychelles Pension Fund, acquires 30% of SACOS capital, a Seychelles-based insurance company.

2007

Opening of first regional branch in Flacq.

2008

Introduction of electronic archiving which contributes to preservation of the environment.

2009

#1 Creation of Processure Compagnie Limitée, specialising in outsourcing of insurance services, in partnership with the French group, Tessi.

#2 Launch of the online access facilities to policy holders.

2010

#1 Acquisition of the life-insurance portfolio of Sun Insurance Co Ltd by Anglo-Mauritius.

#2 Launching of Swan Group Foundation.

2011

#1 Opening of Oxygen Insurance Shop in Port Louis and Black River.

#2 Creation of Swan Reinsurance PCC, a professional reinsurer structured as a protected cell company.

2012

#1 Amalgamation of the activities of Cim Insurance with and into Swan Insurance Co Ltd and those of Cim Life with and into The Anglo-Mauritius Assurance Society Limited.

#2 Acquisition by the Swan Group of the stockbroking and asset management businesses of the Rogers Group.

#3 Anglo-Mauritius Financial Services Ltd was renamed into Anglo-Mauritius Investment Managers Ltd.

#4 Cim Stockbrokers was renamed into Anglo-Mauritius Stockbrokers Ltd.

#5 Cim Asset Finance was renamed into Swan Risk Finance.

2013

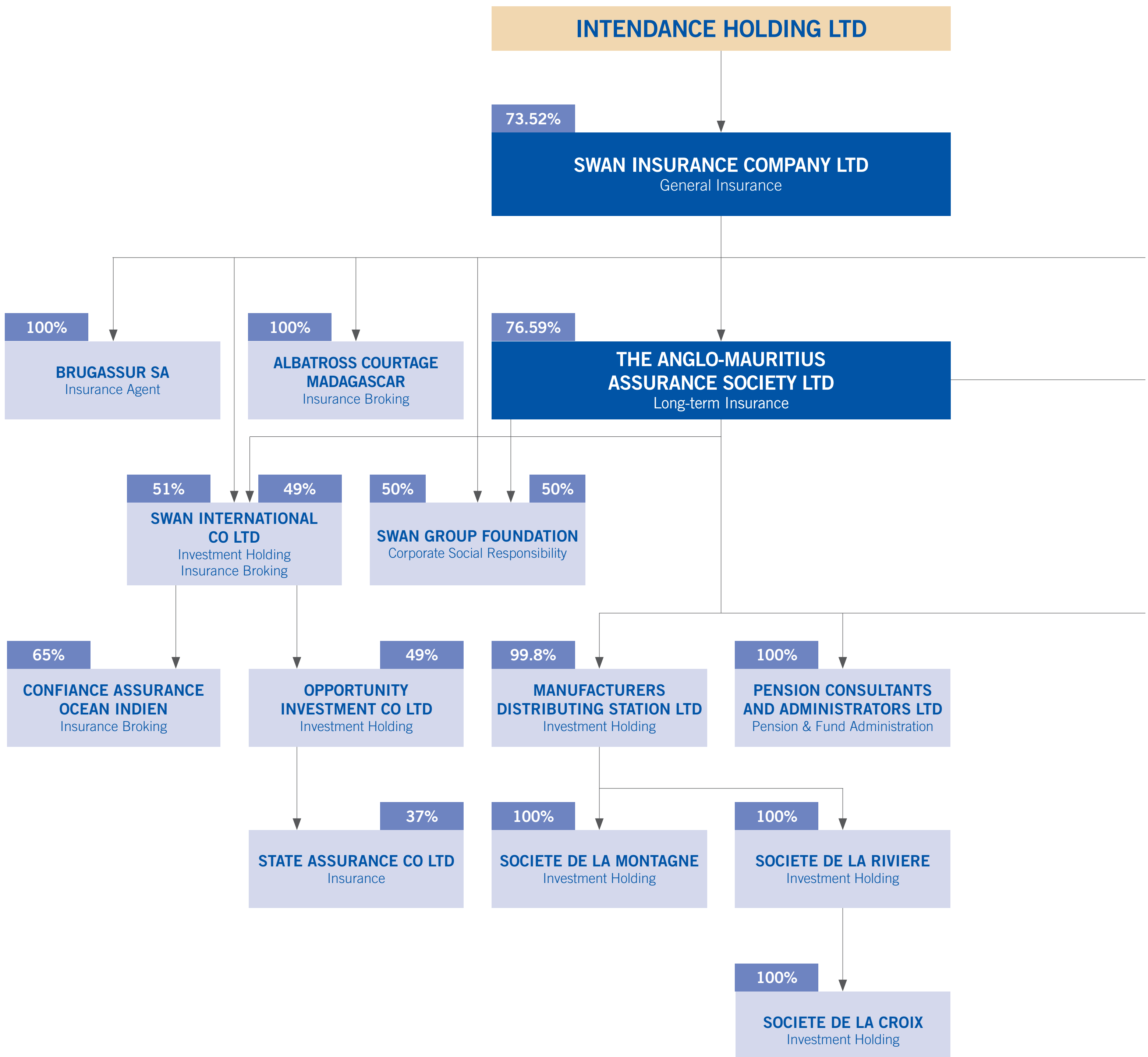
#1 New Values: Passion, People, Performance

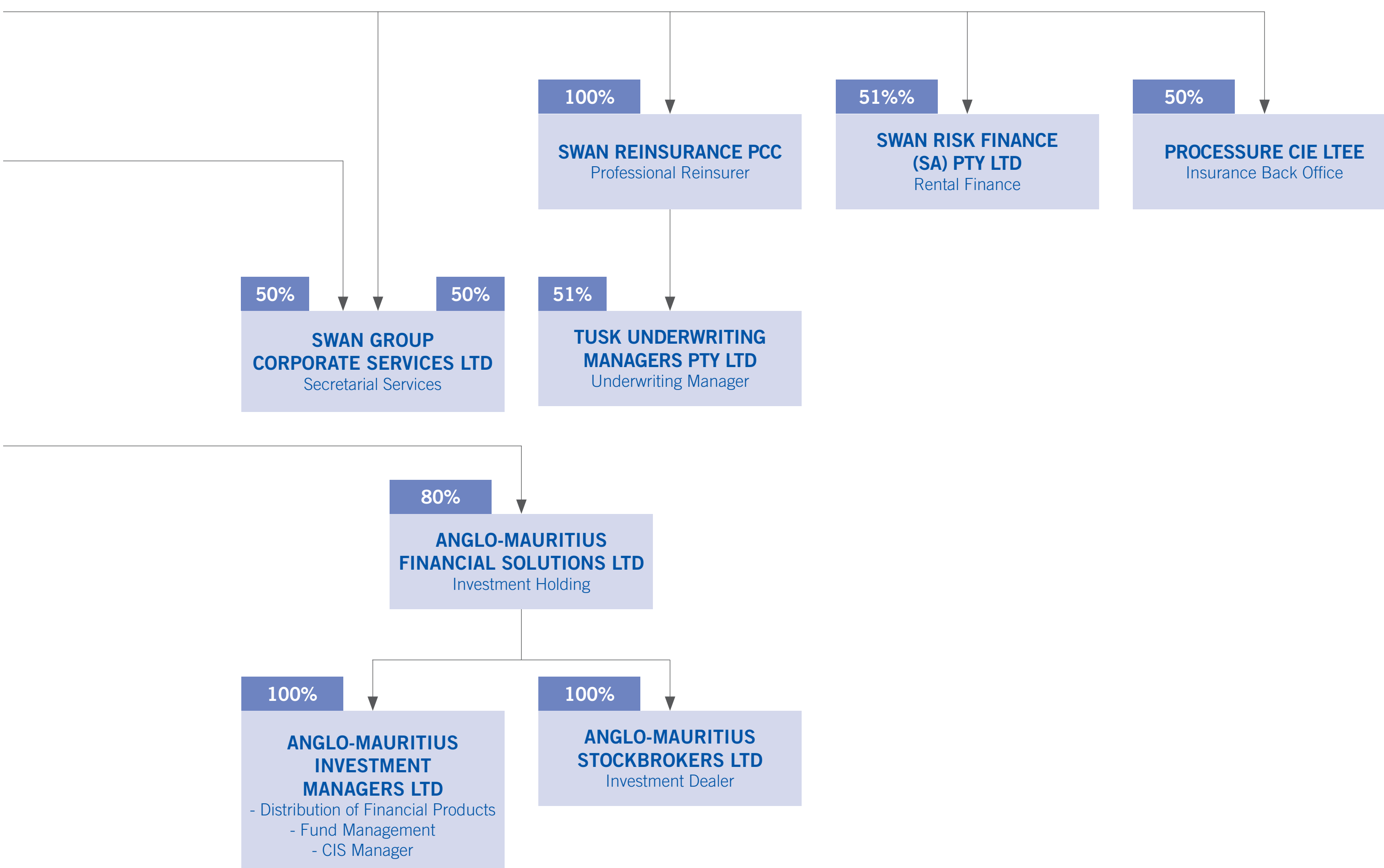
#2 Opening of Oxygen Insurance Shop in Grand Bay and Ebène.

A NEW MILLENIUM

RECENT DEVELOPMENTS

GROUP STRUCTURE




100%
SWAN REINSURANCE PCC
Professional Reinsurer
51%%
SWAN RISK FINANCE (SA) PTY LTD
Rental Finance
50%
PROCESSURE CIE LTEE
Insurance Back Office
50%
50%
SWAN GROUP CORPORATE SERVICES LTD
Secretarial Services
51%
TUSK UNDERWRITING MANAGERS PTY LTD
Underwriting Manager
80%
ANGLO-MAURITIUS FINANCIAL SOLUTIONS LTD
Investment Holding
100%
ANGLO-MAURITIUS INVESTMENT MANAGERS LTD
- Distribution of Financial Products
- Fund Management
- CIS Manager
100%
ANGLO-MAURITIUS STOCKBROKERS LTD
Investment Dealer

DIRECTORATE

Cyril MAYER
Non-Executive Chairperson

Louis RIVALLAND
Group Chief Executive

Born in 1951, Cyril Mayer holds a Bachelor in Commerce (South Africa) and is a member of the Institute of South African Chartered Accountants.

He is presently the Managing Director of Terra Mauricia Ltd. He is the current Chairman of the Mauritius Sugar Syndicate and a member of the Mauritius Sugar Producers Association's Executive Committee. He has also served on the Joint Economic Council, the Mauritius Chamber of Agriculture, the Mauritius Sugar Industry Research Institute and the Mauritius Employers' Federation.

Directorships in other listed companies:

Terra Mauricia Ltd

United Docks Ltd

Swan Insurance Company Limited

Louis Rivalland, born in 1971, holds a Bachelor's degree in Actuarial Science and Statistics and is a Fellow of the Institute of Actuaries (UK). He is currently the Group Chief Executive of Swan Insurance and The Anglo-Mauritius Assurance.

He was part of the management team of Commercial Union in South Africa from 1994 to January 1997 and conducted several assignments for Commercial Union in Europe. From February 1997 to July 1999 he worked as Actuary and Consultant at Watson Wyatt Worldwide developing the investment area 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 Assurance. In January 2005 he has been appointed Group Chief Operations Officer responsible for the operations of Swan Insurance and The Anglo-Mauritius Assurance, and member of the Executive Management Committee of the Swan Group. Since January 2007 he is the Group Chief Executive of the Swan Group.

He has been the President of the Joint Economic Council and of the Insurers' Association of Mauritius. He is currently a Board member of the Mauritius Revenue Authority and the Chairman of Standard Bank (Mauritius) Limited. He has played an active role in the development of risk management, insurance and pensions in Mauritius having chaired or been part of various technical committees on these areas.

Directorships in other listed companies:

Air Mauritius Ltd

Belle Mare Holding Ltd

ENL Commercial Ltd

ENL Land Ltd

Ireland Blyth Ltd

New Mauritius Hotels Ltd

Swan Insurance Company Limited

The Mauritius Development Investment Trust Company Ltd

Gopallen MOOROOGEN -
Independent Non-Executive

Born in 1959, Mr Mooroogen is a Fellow of the Association of Chartered Certified Accountants (UK) and also holds an MBA (Wales).

Senior Executive – Mass Market – Mauritius Telecom

Director of The Stock Exchange of Mauritius Ltd

Directorships in other listed companies:

Swan Insurance Company Limited

Pierre DINAN
Independent Non-Executive

Born in 1937, he holds a BSc. (Econ.) and is a Fellow of the Institute of Chartered Accountants in England and Wales. He was a Senior Partner at De Chazal du Mée (DCDM) for 20 years until he retired in June 2004. He was also a Director of Multiconsult, a global business management services company for 12 years until 2004. He presently acts as a Company Director for a number of public companies in the manufacturing and financial services sectors respectively. He was the founder Chairman of the Mauritius Institute of Directors. He is an independent member of the Monetary Policy Committee set up under the Bank of Mauritius Act.

Directorships in other listed companies

Les Moulins de la Concorde Ltee

Livestock Feed Ltd

Swan Insurance Company Limited

Philippe ESPITALIER-NOËL
Non-Executive

Born in 1965, he holds a BSc in Agricultural Economics from the University of Natal in South Africa and an MBA from the London Business School. He worked for CSC index in London as a management consultant from 1994 to 1997. He joined Rogers and Company Ltd in 1997 and was appointed Chief Executive Officer in 2007.

Directorships in other listed companies:

Air Mauritius Ltd

Rogers and Company Ltd

Swan Insurance Company Limited

DIRECTORATE

Victor C. SEEYAVE
Independent Non-Executive

Born in 1962, Victor Seeyave holds a B.A Economics (UK) and an MBA (USA).

He is currently the Managing Director of Altima Ltd and previously held several management positions in the food division of the Innodis Group.

Directorships in other listed companies:

Innodis Limited

Swan Insurance Company Limited

Hector ESPITALIER-NOËL
Non-Executive

Born in 1958, he is a member of the Institute of Chartered Accountants in England and Wales. He worked for Coopers and Lybrand in London and with De Chazal du Mée in Mauritius. He is presently the Chief Executive of ENL Limited. He is also Chairman of New Mauritius Hotels Ltd and Bel Ombre Sugar Estate Ltd. He is also a Past President of Rogers and Company Limited, The Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Mauritius Sugar Syndicate.

Directorships in other listed companies:

ENL Commercial Limited

ENL Land Ltd

New Mauritius Hotels Ltd

Rogers and Company Ltd

Swan Insurance Company Limited

Henri HAREL
Non-Executive

Born in 1960, Henri Harel is currently the Group Chief Finance Officer and a Management Committee member of Terra Mauricia Ltd.

Directorships in other listed companies:

Terra Mauricia Ltd

Swan Insurance Company Limited

René LECLÉZIO
Non-Executive

Born in 1956, Mr Leclézio holds a BSc in Chemical Engineering and an MBA from the London Business School. Before being appointed CEO of Promotion and Development Ltd in 1987, he worked in London as consultant engineer in the oil and gas industry and with Lloyds Merchant Bank as Assistant Manager in Project Finance.

Directorships in other listed companies:

Caudan Development Ltd

Promotion and Development Ltd

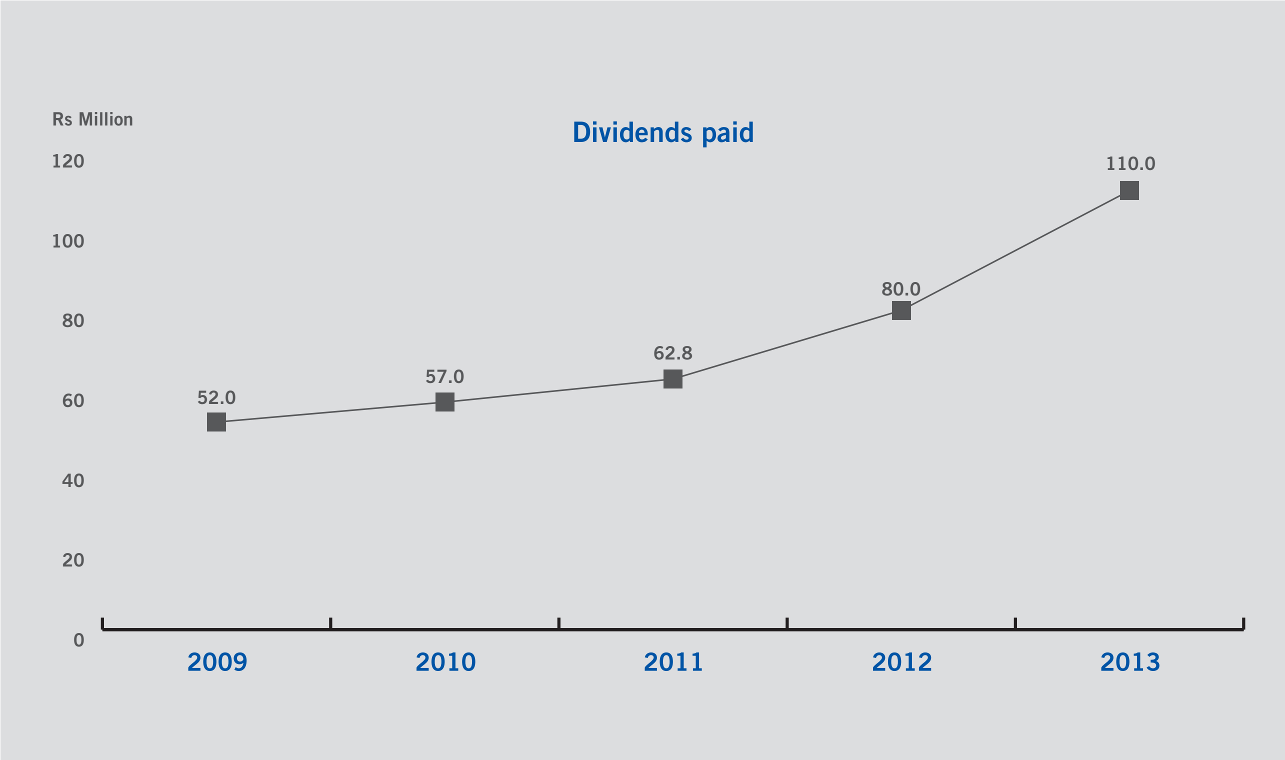
Swan Insurance Company Limited

Executive	Louis Rivalland – Group Chief Executive
Independent Non-Executive	Gopallen Mooroogen
	Pierre Dinan
	Victor C. Seeyave
Non-Executive	Cyril Mayer - Chairperson
	Hector Espitalier Noël
	Henri Harel
	Philippe Espitalier Noël
	René Leclézio

CHAIRPERSON'S & GROUP CHIEF EXECUTIVE'S REPORT

M. E. Cyril Mayer /
Chairperson

Profit of the Group increased by 36% from Rs. 186M in 2012 to Rs. 254M in 2013.



On behalf of the Board, we are pleased to present the Annual Report and Audited Financial Statements of The Anglo-Mauritius Assurance Society Limited and the Group for the year ended 31 December 2013.

The year 2013 was the first full year as a single merged entity following the amalgamation with CIM Insurance, Asset Managers and Stockbrokers which became effective on 30 June 2012. The year has therefore been a transitional period to ensure that the merger is successful and delivers the expected benefits. As for any merger, the most challenging aspect was the people management which mobilised a lot of our resources. We firmly believe that we now have a unified team ready to take the Group to new heights.

To promote the unity of the Group, our core values have been revisited, with the participation of all the staff, so as to reflect what we truly believe we are. They are the 3 P's which are People, Passion and Performance. Key behaviours that uphold each of these values were also identified and they will form the standard which any employee of the Group will be expected to live by and celebrate.

At the same time, the Company and the Group continued to focus on its key priorities which are to enhance profitability, move away from a product-based to a needs-based approach, build on solid foundations, consolidate synergies, simplify processes and integrate technology throughout and provide sustainable development for our staff.

This year, the Group's turnover exceeded the Rs. 4.0bn mark to reach Rs. 4.62bn in 2013, experiencing an increase of 16% from 2012 (Rs. 3.97bn). Operating profit grew at a more or less similar pace of 14% from Rs. 534M in 2012 to Rs. 612M in 2013. Despite challenging market conditions, our investment income grew by 19% from Rs. 134M In 2012 to Rs. 160M in 2013. Profit of the Group increased by 36% from Rs. 186M in 2012 to Rs. 254M in 2013. Total assets of the Group have reached Rs. 32.4bn. This follows the trend of recent years during which the Swan Group has been able to increase its market share and also significantly improve its profitability.

In 2013 we sought to further consolidate the Group's interests in the Indian Ocean and southern Africa. New products and services were launched and recruitments made. An investment project setup for Sub Saharan Africa saw the light and will be operational next year.

Following the completion of the merger of Cim Life with and into Anglo-Mauritius, the team has worked tirelessly to integrate the processes and membership data on our infrastructure. Migration of the data has been done successfully and there is now a unique system for the management and processing of all of our policies.

CHAIRPERSON'S & GROUP CHIEF EXECUTIVE'S REPORT (CONT'D)

Despite an economic environment characterized by low interest rates, sales of life insurance products grew satisfactorily in 2013. The financial crisis led to increased volatility of capital markets over the last few years so that sales of our with-profits endowment insurance products have been on the rise. Having said this, the local stock market has performed well over 2013 which has been beneficial to our Unit-Linked policyholders. For example, our Equity Fund - Life has done very well with a performance in excess of 20%. In a similar fashion, the overseas markets have also recorded positive performances with our Foreign Equity Fund – Life yielding returns in excess of 15%.

2013 also saw the phasing in of the integration strategy for enhancing revenue and customer service. Although the enlarged structure has contributed to more sales, our main focus remains on ensuring that our client needs are met and that they get the best professional advice. To achieve this objective, strong emphasis is being put on the upgrading of the consulting skills of our sales force by further expanding our training programs. Following the merger and the ongoing training programs of our sales force, we believe that we are now in an even stronger position to deliver higher levels of customer service and to offer a wide range of products to better meet the needs of our individual clients.

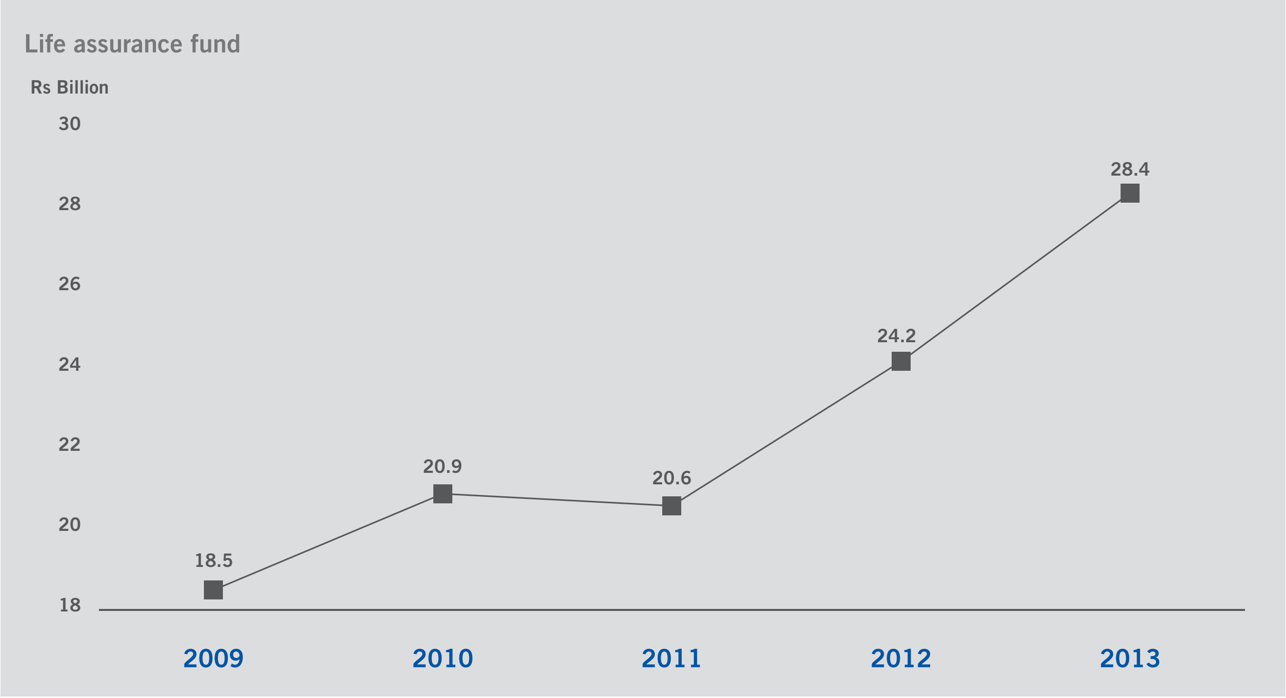
Our sales force plays a central role in maintaining our proximity with our clients and we are thankful for their dedication and support. We shall continue to expand our distribution channels to be even closer to our clients.

In terms of operating results, the long term business achieved an increase in gross premium of 11% from Rs. 2,286M in 2012 to Rs. 2,541M in 2013. Despite the challenging market, Investment Income grew from Rs. 1,070M In 2012 to Rs. 1,219M in 2013. The Life Fund reached Rs. 28.3bn in 2013, from Rs. 24.2bn in 2012, thus increasing by 17%.

Despite a challenging year, the Group's results are commendable. This has been possible with the support of all stakeholders - our customers, our business partners, the brokers, our agents and salespersons, and a dedicated management team and staff. Thank you to all. We also wish to extend our gratitude to all Board members.

M. E. Cyril Mayer
Chairperson

J. M. Louis Rivalland
Director and Group Chief Executive



J. M. Louis Rivalland /
Director and
Group Chief Executive

We firmly believe that we now have a unified team ready to take the Group to new heights.

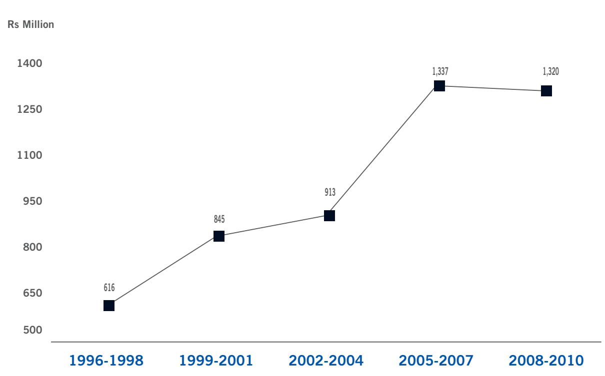
EDUCATION PLAN

KEY NUMBERS

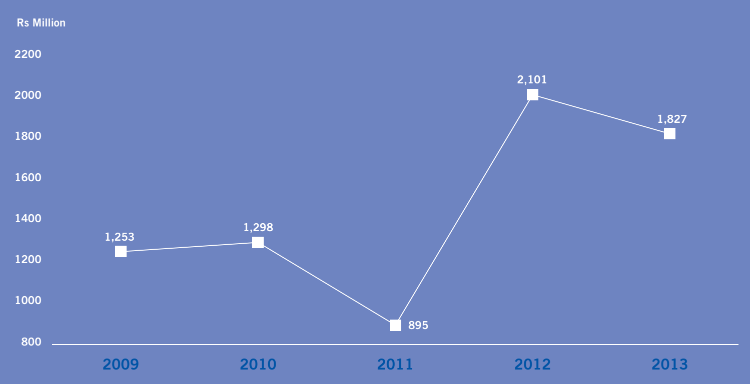
FINANCIAL HIGHLIGHTS

	2013	2012
	Rs'000	Rs'000
Gross Insurance Premiums	2,541,153	2,286,160
Net Insurance Premiums	2,363,115	2,163,414
Surplus Before Tax	1,834,055	2,110,916
Dividends Paid	110,026	80,019
LAF	28,303,188	24,189,343
Dividends per share	Rs 41.80	Rs 30.40
Earnings per share	Rs 34.16	Rs 35.17

Distributed Surplus



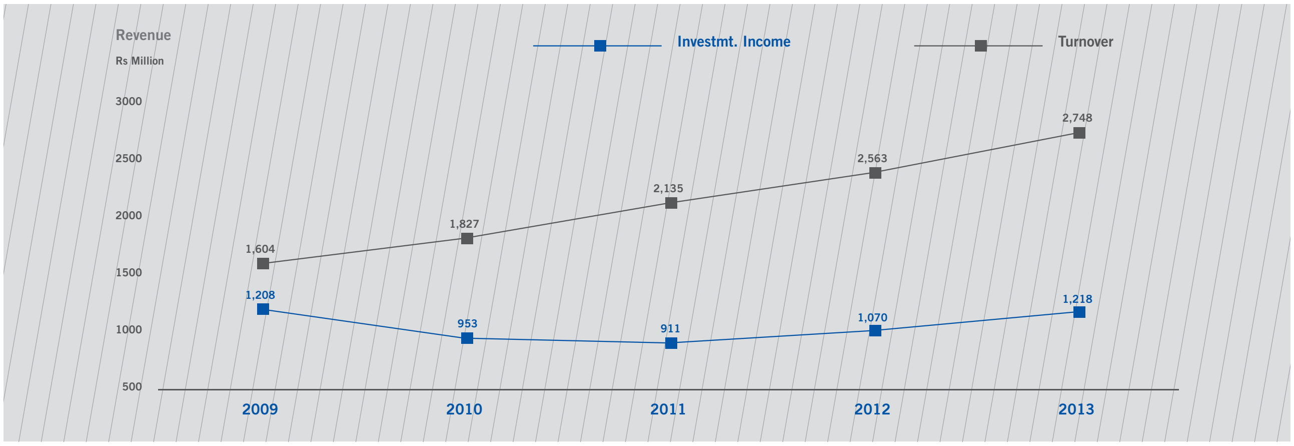
Surplus for the year

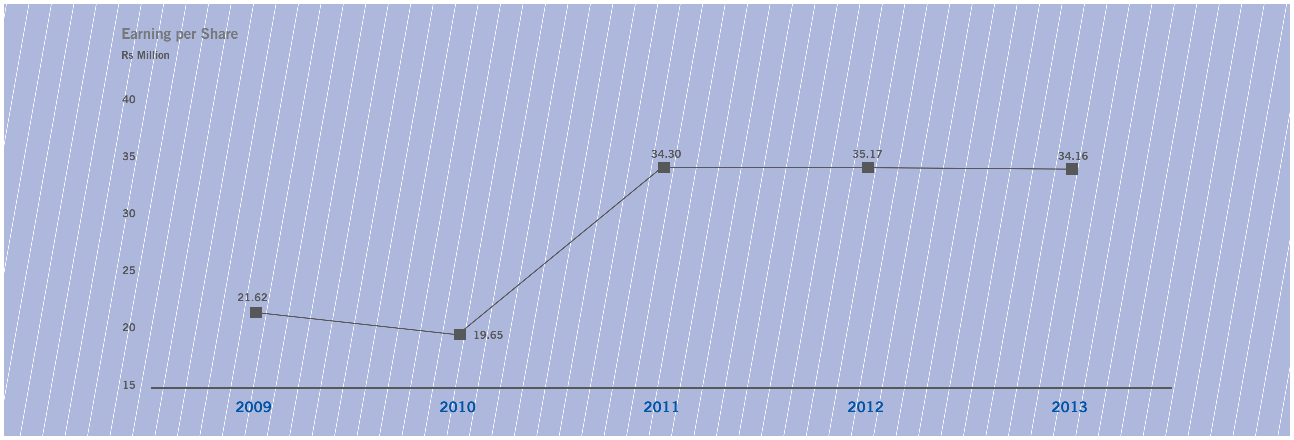


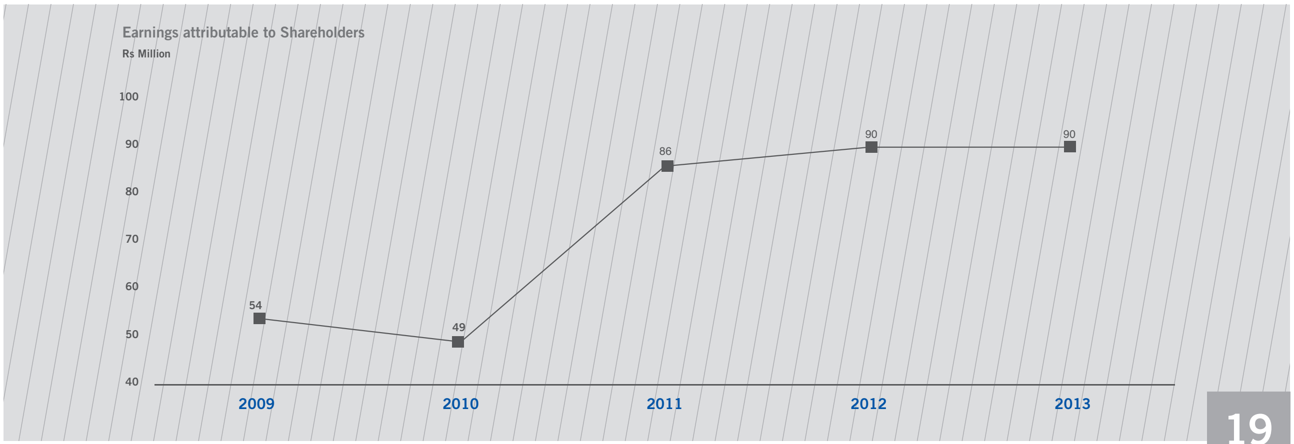
TOTAL ASSETS AT 31 DECEMBER 2013

Rs.29.5Bn

INCREASED BY Rs. 4.1 BILLION DURING THE YEAR







SENIOR MANAGEMENT TEAM

Alan GODER
Pension Consultants & Administrators Ltd, Pensions, Claims, Fund Administration and Group Systems and Processes

Alan Goder, born in 1967, 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 Executive Director of Actuarial & Capital Management Services Ltd., now the AXYS GROUP.

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

He joined The Anglo-Mauritius as Senior Manager in November 2004 where he oversees the Claims and Fund Administration departments. He is also responsible for managing Pension Consultants & Administrators Ltd. Since August 2009, Alan has been appointed to oversee the pension department of Anglo-Mauritius.

Alan is also Senior Manager to the Group Systems & Processes department.

His key areas of specialization are pensions administration and consulting.

George SUI TIT TONG A.C.I.I. - Individual Business Operations

George Sui Tit Tong, born in 1947, joined The Anglo-Mauritius in January 1968. He is a Senior Manager since July 2004 and is responsible for the overall operations pertaining to Individual Business and the medical organisation of the company.

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

Patrice BASTIDE
B.Sc., M.Sc. – International Development

Maxime REY
Group Finance, Loans and Legal

Patrice Bastide, born in 1963, heads the Group's development into markets outside of Mauritius. Between 2006 and 2010, during his previous tenures as Marketing Manager of Albatross Insurance and later General Manager, CIM Life, Patrice developed a thorough knowledge of the various sub-regional African insurance markets and setup an extensive network of relationships with insurance operators and regulatory bodies. He has actively contributed in elaborating and implementing the Swan Group's expansion strategy since 2011 and is a Board Director of Insurance companies in Seychelles and Kenya. Patrice holds a M.Sc. in Applied Mathematics, USA and is a former post-graduate Italian Government scholarship winner.

Maxime Rey, born in 1952, started an accounting career in 1973 in Mauritius, first in Auditing (Kemp Chatteris/Touche Ross & DCDM/Coopers & Lybrand), and then in the Sugar Industry (Deep River Beau Champs S.E.).

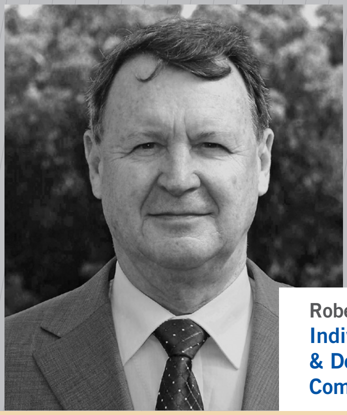
Immigrating to South Africa in 1981, he worked for Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions. He was appointed Group Financial Controller in 1989 and Director in 1992.

Back in Mauritius in 1993, he joined the Swan Group, one of the market leaders in the Insurance sector in Mauritius, where he is presently holding the position of Senior Manager - Group Finance, also heading the Loans and Legal Departments of the Group.

He serves as Director of a number of companies in the commercial, financial and tourism sectors, and is a member of several Board Committees.

Directorship of listed Company: Lux Island Resorts Ltd

SENIOR MANAGEMENT TEAM



Robert GALLET
Individual Business Marketing & Development, Group Communication & Properties

Sattar JACKARIA
B.Sc. (Hons.),
F.I.A - Actuarial

Robert Gallet, born in 1951, worked as assistant to Divisional Accountant for eight years in the Pensions Business of Southern Life in South Africa. He then worked for six years in the Individual Life Business where he held the position of Manager and then Senior Manager.

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

His key areas of expertise are administration and marketing.

Sattar Jackaria, born in 1977, joined the Actuarial Department of The Anglo-Mauritius as Actuary in October 2006 and is responsible for the day-to-day running of the department. In January 2011, he was also assigned the responsibility for the Bank Assurance department. Other than these core activities, he is also responsible for product design and provides technical assistance to other departments of the Group. In particular, he offers his expertise to some general insurance lines of business such as Motor & Health.

Following completion of his degree at Warwick University and prior to joining the Company, he has been working for many years in London for a leading actuarial consulting firm. His key areas of specialisation include pensions business and actuarial consulting.

Vishnoo LUXIMAN
M.Sc. - Group Human Resources

Vishnoo Luximan, born in 1962, worked as Assistant Personnel & Public Relations Officer at the Constance & La Gaieté SE Company Ltd from 1983 to 1988. He joined Deep River-Beau Champ Ltd (DRBC) as Assistant Personnel Manager/Public Relations Officer in 1988. He was promoted to the position of Personnel Manager/Public Relations Officer with the same company in 1990.

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

He joined the Group in 2006.

MANAGEMENT TEAM

Alain BANCILHON (Absent)
Group Pension Business Development

Bruno BOUCHET (Absent)
Branch/Agency Business Development

Neeraj UMANEE, B.A.(Hons) (Absent)
Anglo-Mauritius Stockbrokers Ltd.

Nitish BENI MADHU, B.Sc. (Hons), M.Sc. (Absent)
Investments

Veenaye BUSGEETH, F.C.C.A. (Absent)
Corporate Finance

Dave LUCHMUN
Group Facilities

Shailen J. SOOBAH
F.C.C.A., MBA, Dip A.C.I.I
Group Company Secretary; Business Support, Corporate Office

Gaël ALIPHON
A.C.I.I.
Individual Business

Karine MOREL
B.Com., F.C.C.A, M.I.P.A. (M)
Finance

Navindranath BHUGALOO
A.C.I.I
Pension Consultants & Administrators Ltd and Pensions (DC)

Sonia KALACHAND-CANABADY
B.A, M.A -
Group Human Resources

Patrick DE MARCY CHELIN
Loans

Edward CUNNIAH
Claims
(until 31st December 2013)

Herbert MADANAMOOTHOO
Maîtrise de Droit
Legal & Compliance, M.L.R.O

Mario BUTTIE
F.C.C.A
Fund Administration

MAIN SUBSIDIARIES

NITISH BENI MADHU
BSc (HONS), M.Sc.
Anglo-Mauritius Investment Managers Ltd

Anglo-Mauritius Investment Managers (AMIM) is a leading provider of Asset Management services in Mauritius, and currently manages investments worth more than MUR 26 billion across different asset classes, regions and sectors. AMIM's customer base includes Pension Funds, Insurance Companies, Investment Funds, High Net Worth Individuals and the general investing public.

AMIM pursued its growth strategy in 2013 and successfully won major mandates, particularly pension plans. AMIM continued to focus on business drivers to optimize top and bottom line. Also, product offerings were fleshed up, with specific emphasis on structured products and the CIS business. Additionally, the team set up was morphed to accommodate three distinct working units for each asset class, namely Local Equities, Foreign Equities and Fixed Income. This nomenclature is believed to allow specialist skills and knowledge to develop.

New avenues are now being explored for growth. Geographical diversification, in particular, has the potential to significantly enhance business flows in the coming year. Efforts are thus underway to explore potential niches in the region. Another major area to scout is financial engineering, in order to create non-conventional risk/reward ratio for clients, thereby filling a gap in the investment space.

AMIM has had a good year in 2013, with an on target growth rate. Profits are expected to continue on an increasing trend in 2014, thereby contributing to the shareholders' value.

NEERAJ UMANEE
B.A. (HONS) ECONOMICS
Anglo-Mauritius Stockbrokers Ltd

Anglo-Mauritius Stockbrokers Ltd (AMSL) is one of the leading stockbroking companies, offering a wide range of services to both institutional and retail clients. The company started its operations in 1989 when the Stock Exchange of Mauritius (SEM) was launched and was the first stockbroking company to establish a formal link with a major foreign house, namely Flemings. In addition to Trading, its core activity, AMSL also provides Research & Advisory services and acts as sponsoring broker for the listing of companies on the Stock Exchange of Mauritius. As recognition for its value-added services as a research provider, AMSL received an award from one of its major international clients in 2013.

The company is constantly reviewing its processes to maintain a quality focused approach towards servicing its clientele. A core part of this model is the continuous professional development of its key resource, which is its People.

2013 witnessed a rebound of the official market of the SEM, in line with the recovery of the U.S and European equity markets: the SEMDEX gained 21% over the year, with transacted value increasing by 12% to reach Rs. 10.6 Bn. Foreign activity represented 42% of total transacted value, with a higher net foreign inflow of Rs. 368 M in 2013, compared to a net injection of Rs. 100 M in 2012. Amidst this heightened activity, AMSL consolidated its market share and boosted its bottom line performance over the period, despite stiff competition across the board.

NAVINDRANATH BHUGALOO
A.C.I.I.
Pension Consultants & Administrators Ltd (PCA)

PCA contributes to our corporate business through the provision of setting up and administration services for private pension schemes, and complements the services offered by Anglo-Mauritius Assurance.

In 2013, PCA has consolidated its position as the market leader in the field of administration of pension schemes. This has impacted positively on our turnover, with a growth of 13% from last year, and our profitability has been very healthy for yet another year.

At the end of 2013, the company provided administrative services to more than 250 companies grouped under 23 schemes, with total active membership reaching nearly 21,000 lives.

We continue to consolidate the working relationship with the pensions department of Anglo-Mauritius Assurance, for the benefit of our respective clients and the Group.

The integration of the one big pension scheme we inherited following the merger of the activities of Cim Life has now been completed.

Almost all schemes under our administration have received their license from the Financial Services Commission, as required under the 'Private Pension Schemes Act'.

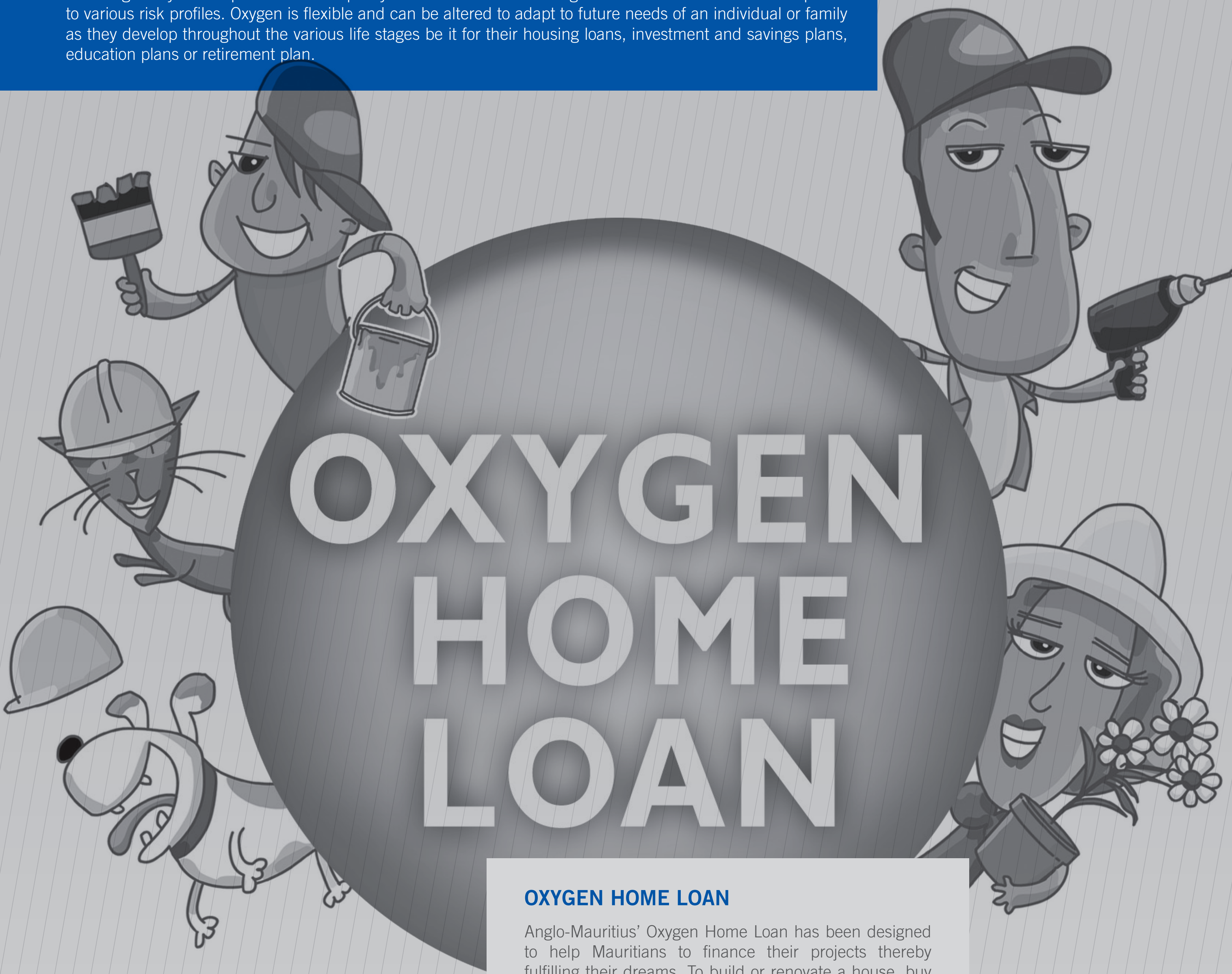
In view of the various challenges ahead, we have consolidated further our team with the recruitment of two additional staff.

We are sparing no effort to further strengthen our position on the market by being more attentive to our clients' needs in the rapidly changing and more sophisticated pension environment.

HOME LOAN

OXYGEN PRODUCTS

In 2007 Anglo-Mauritius launched Oxygen, an innovative and affordable insurance solution designed to meet the needs of individuals at every stage of their lives. The uniqueness of this product is that it combines advantageously several plans under one policy and allows access to a range of investment funds that corresponds to various risk profiles. Oxygen is flexible and can be altered to adapt to future needs of an individual or family as they develop throughout the various life stages be it for their housing loans, investment and savings plans, education plans or retirement plan.



OXYGEN HOME LOAN

Anglo-Mauritius' Oxygen Home Loan has been designed to help Mauritians to finance their projects thereby fulfilling their dreams. To build or renovate a house, buy a property or refinance an existing loan, Oxygen Home Loan provides a competitive fix or variable interest rate for a repayment period of up to 30 years. The plan is secured by a mortgage bond on the property guaranteed by a life insurance. Moreover, additional contributions can be made to finance forthcoming projects or retirement plan.

OXYGEN RETIREMENT PLAN

Oxygen Retirement Plan is designed to help building up capital that can be used to secure an income at retirement. The plan has in-built flexibility and additional features to suit personal needs such as premium waiver benefit and choice of investment funds.

OXYGEN EDUCATION PLAN

The Oxygen Education plan is ideal for helping children or grandchildren to start in life on a solid foundation. Anglo-Mauritius provides an advisory service to parents wishing to invest in an insurance plan for the studies of their children. With the Oxygen Education Plan, parents can start making provision right at birth of the child to finance future studies which can be supplemented by taking a loan

OXYGEN INVESTMENT PLAN

The Anglo-Mauritius Oxygen Investment Plan has been designed in such a way so as to offer a wide range of investment funds namely the General Fund, the Mixed Fund, the Equity Fund the Foreign Bond Fund and the Foreign Equity Fund that best fit the client's risk profile. The features of the plan include the flexibility of apportioning the allocation of the contributions into the different funds offered and also changing the composition of the investment portfolio. The plan may be redeemed at any time and without penalty.

OXYGEN FOREIGN CURRENCY PLAN

The Oxygen Foreign Currency Plan of Anglo-Mauritius has been specifically designed to build up capital and financial protection in any of the three strong foreign currencies which are the British Pound Sterling, the Euro and the US Dollar. At maturity the value of the policy is paid exclusively in the currency initially invested.

MON3Y HARVE5T

Launched in 2012, the Mon3y Harve5t payment by installment policy guarantees the payment of a percentage of the sum insured every 3 or 5 years at the beneficiary's request regardless of the changing economic conditions. In addition to the guaranteed basic sum assured, bonuses are declared throughout the term of the plan and paid at maturity.

CORPORATE PRODUCTS

Throughout the years, we have forged an excellent reputation and are the leader in the provision of retirement solutions to the private sector. We have a specialised team of professionals including an in-house actuarial department which enables us to offer a one-stop shop for an employer wishing to offer pension benefits to its employees. Moreover, employers can alternatively select any one of our products or services below as part of an "unbundled" arrangement for their pension schemes.

- Administration services for the day-to-day running of the pension scheme;
- Actuarial Consulting advice in respect of benefit design, funding, merger & acquisition;
- Investment Consulting advice to design, implement & monitor the investment portfolio;
- Production of Pension Accounting disclosures in accordance with IFRS requirements;
- Provision of Group Life Insurance (death, disability or permanent health insurance) and Annuity contracts; and
- Investment related contracts whose returns can either be directly linked to the financial markets or smoothed over time

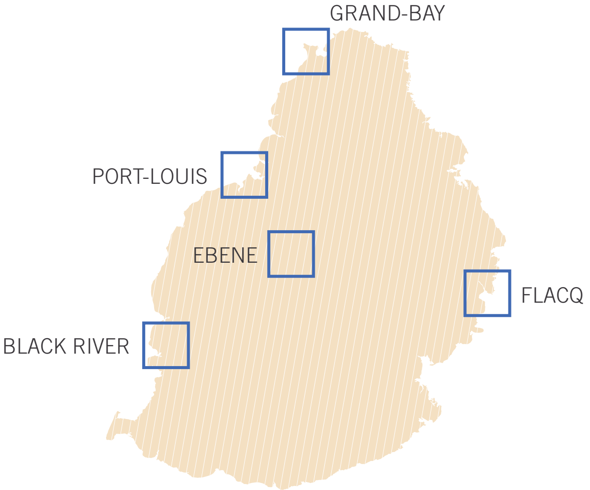
The other key segment of our corporate business is the provision of group life arrangements to financial institutions that provide credit facilities. Under these arrangements, the borrowers would join the arrangement at pre-defined terms & conditions and would be covered for the outstanding balance of the loan due in case of death or disability during the tenure of the loan. We currently have arrangements in place with most of the major banks on the island.

NEW INSURANCE OUTLET

In 2013, the Swan Group opened another outlet at the heart of the Cyber City, in Ebène, at the Ebène Way Commercial Centre. With the recent positioning of Ebène as a strategic business hub, and as part of its strategy to move closer to its client, the Group decided to extend its presence in this region to better reach and serve its clientele.

Customers can enjoy the same quality of service that they have always experienced at the Anglo-Mauritius and Swan Insurance head office. These modern shops aim at improving the customer's experience whilst conveying a modern and avant-garde image of the Swan Group.

The Oxygen Shops throughout the island are similar to concept stores for they offer, under a single roof, the whole range of the Group's products and services to its clients. Visitors are immediately seduced by the futuristic design of these shops, which showcase the wide range of the Oxygen products.



FLACQ	GRAND BAIE	PORT LOUIS	ÉBÈNE	RIVIÈRE NOIRE
Centre Commercial VIP	La Croisette	Rue Intendance	Centre Commercial d'Ébène	Centre Commercial Nautica
tel : 413 8500	tel : 269 4130 / 32	tel : 202 8600	tel : 207 9090	tel : 483 4260

Weaving partnerships with NGOs to build a better future

Jean-Marc Chevreau /
Chairman CSR Committee

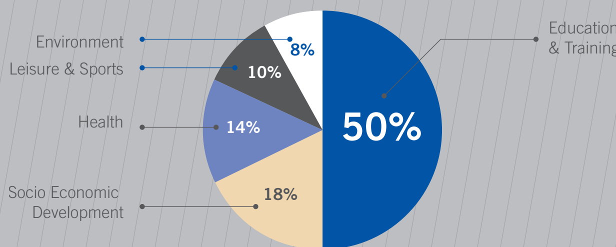
CSR

DONATED TO 33 NGOS IN 2013

▲ RS 6.1 M

CSR DISBURSEMENTS 2013

For the year 2013, the Swan Group Foundation renewed its commitment to the local NGOs, supporting their initiatives and donating more than Rs 6 million. In total, 33 NGOs received financial contributions for projects related to financial literacy and training (50%), socio-economic development (18%) health (14%), leisure and sports (10%) and the environment (8%).



This year, the Group contributed nearly Rs 3 M to the Training and Education sector, showing its commitment in empowering beneficiaries to climb up the socio-economic ladder through education. The recipients, amongst others, were *Junior Achievement Mascareignes (JAM), Terrain for Interactive Pedagogy through Arts (T.I.P.A), Association Quartier de Lumière, Association Femmes Dynamiques*, and *Communauté du Chemin Neuf.*

The Group also renewed its partnership with *Mauritian Wildlife, Faucon Flacq, Muscular Dystrophy Association* and supported *Mouvement Forces Vives EDC in Rose-Belle* for the renovation of the homes of those living below poverty line.

SWAN GROUP SPEARHEADS YOUTH TRAINING INITIATIVES

The Swan Group Foundation partnered with Junior Achievement Mascareignes (JAM) to launch JA Economics for Success. This project targets young people aged between 16 and 18 years old. The objectives of the program are to disseminate information on personal finance, inform the youth about the risks associated to life, and teach them how insurance helps reduce the financial consequences of risk.

In its drive to educate the Mauritian youth and increase its engagement in the local communities, the Swan Group Foundation has decided to tap into the vast pool of knowledge of its employee, partners, managers and collaborators. Our colleagues gave their time and shared their skills to ensure the success of our partnership with Junior Achievement Mascareignes (JAM).

"Our programme aims at educating the 16 to 18 years old on subjects such as personal finance, financial risks and the importance of insurances. We worked with the renowned illustrator POV and also the dedicated team of the Swan Group who helped in adapting the educational materials to suit the needs of the Mauritians," explained Michele Lionnet, Executive Director, Junior Achievement Mascareignes. *"This program, from which should benefit about 2,000 young Mauritians, has been extremely successful so far and has attracted a great deal of interest. We are currently in the process of finalizing the signature of a MOU with the Ministry of Education in order to facilitate the introduction of our projects in the secondary schools of the country."*

"This extremely interesting initiative has given us the opportunity to show our engagement to the local communities and to the sector of Education. The economic strength of Mauritius lies in its brain-power: be it in research and innovation or cutting-edge technology and our ability to produce a well-trained, highly productive workforce. This objective can only be met by delivering proper education to youngsters, for they represent our future. Through this financial literacy project, we wanted to support JAM which plays an important role in the education of the youth worldwide and on the African continent," said Jean Marc Chevreau, Chairman of the CSR Committee.

Globally, JA Worldwide reaches millions of students around the globe through its wide range of programs which teach financial literacy, entrepreneurship and workforce readiness.

RETIREMENT PLAN

CORPORATE GOVERNANCE REPORT

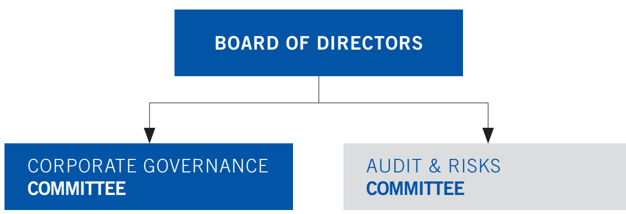
1. COMPLIANCE STATEMENT

The Group is committed to attaining and sustaining the highest standards of corporate governance with the objective of enhancing shareholders' value and having regard to stakeholders at large.

The Boards of directors ensure that the principles of good governance are followed and applied throughout the Group. The Group has complied in all material respects with the Code of Corporate Governance.

2. GOVERNANCE STRUCTURE

The Board has adopted the following structure to help it discharge its obligations:



Each subsidiary has its own Board which is different from the Board of The Anglo-Mauritius Assurance Society Limited.

However, the Corporate Governance Committee and the Audit & Risks Committee oversee the governance, audit and risk issues of all the subsidiaries.

3. BOARD

3.1 Composition of the Board

There is a clear separation of the roles of the Chairperson and the Group Chief Executive. The Chairperson leads the Board, ensuring that each director is able to make an effective contribution. He monitors, with the assistance of the Company Secretary, the information distributed to the Board to ensure it is sufficient, accurate, timely and clear. The Group Chief Executive has the day-to-day management responsibility for the Group's operations, implementing the strategies and policies agreed by the Board.

The non-executive directors constructively challenge and help develop proposals on strategy, scrutinise the performance of Management in achieving objectives and monitor the reporting of performance.

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

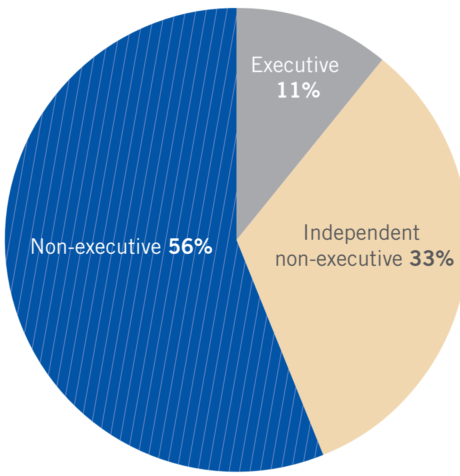
All directors have access to the advice and services of the Company Secretary. Where necessary in the discharge of their duties, directors may seek independent professional advice at the Company's expense.

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

The composition of the Board fully complies with the requirements of the Insurance Act 2005 which requires that all board shall be composed of not less than seven natural persons, of which 30% shall be independent directors. All new Board appointments are subject to the approval of the Financial Services Commission.

During the year, the Board was composed of the following directors:

Executive	Louis Rivalland – Group Chief Executive
Independent Non-Executive	Pierre Dinan
	Victor Seeyave
	Gopallen Mooroogen
Non-Executive	Cyril Mayer - Chairperson
	Henri Harel
	Hector Espitalier-Noël
	Philippe Espitalier-Noël
	René Leclézio



3.2 Role of the Board

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

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

3.3 Election of Directors

The Code of Corporate Governance provides for directors to be elected (or re-elected as the case may be) every year at the annual meeting of shareholders. However, the Board does not consider this recommendation to be appropriate within the context of the Group. In addition, the constitution of the Company does not make any provision for such a procedure.

The Board believes that the complexity of the Group's operations is such that sufficient time should be allowed for an independent director to be reasonably conversant with its technicalities. This applies particularly to those Directors who are members of the Audit and Risks Committee. Re-election of directors over the age of 70 years is made in compliance with section 138(6) of the Companies Act 2001.

3.4 Board appraisal

The Board is composed of directors coming from different sectors of the economy. Each director has drawn from his professional background and competence in positively contributing to the Board's activities. No formal evaluation of the Board was undertaken.

4. BOARD COMMITTEES

4.1 The Audit and Risks Committee

The Committee consists of four non-executive directors three of whom are independent including the Chairperson. The current members are:

Mr. Peroomal Gopallen Mooroogen (Chairperson) (independent)

Mr. Pierre Dinan (independent)

Mr. Victor Seeyave (independent).

Mr. Henri Harel (non-executive)

The Committee meets at least four times a year. The Group Chief Executive attends unless a conflict of interest is likely to arise. Members of the Committee have adequate financial awareness.

Members of the Senior Management, the External Auditors and the Internal Auditors regularly attend meetings of the Audit and Risks Committee.

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

The Committee is satisfied that it has discharged its responsibilities for the year in compliance with its terms of reference.

The Audit and Risks Committee's focus is on:

i. the reliability and accuracy of the financial information provided by management to the Board and other users of financial information;

ii. the functioning of the internal control and the risk management systems;

iii. the functioning of the internal auditors;

iv. the risk areas of the operations to be covered in the scope of the internal and external audits;

v. recommending the appointment/re-appointment of internal and external auditors to the Board;

vi. any accounting or auditing concerns identified as a result of the internal or external audits;

vii. compliance with legal and regulatory requirements with regard to financial matters;

viii. the scope and results of the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditors;

ix. the nature and extent of non-audit services provided by the external auditors; and

x. the financial information to be published by the Board.

During the year, the Committee met four times and the main issues discussed and deliberated on were:

i. Yearly audited accounts – consideration and recommendation to the Board for approval;

ii. Abridged quarterly accounts - consideration and recommendation to the Board for approval and publication;

iii. Internal audit – consideration and approval of internal audit reports;

iv. Enterprise Risk Management – consideration and approval of a new engagement for the internal auditors;

v. Regulatory – taking cognizance of the reports of the Financial Services Commission following routine inspections;

vi. Audit fees - consideration and recommendation to the Board for approval.

4.2 The Corporate Governance Committee

The Committee consists of four non-executive directors, three of whom are independent. The current members are:

Mr. Cyril Mayer (Chairperson) (non executive)

Mr. Pierre Dinan (independent)

Mr. Peroomal Gopallen Mooroogen (independent)

Mr. Victor Seeyave (independent)

The Group Chief Executive is in attendance.

The Corporate Governance Committee's terms of reference (which comprise areas covered by a Nomination and Remuneration Committee) include but are not limited to:

i. determining agreeing and developing the general policy on corporate governance in accordance with the Code of Corporate Governance, legal compliance and ethical policies;

ii. assisting the Board on establishing a formal and transparent procedure for developing a remuneration policy for executive and senior management;

iii. putting in place plans for succession, in particular the Chairperson and the Group Chief Executive;

iv. making recommendations to the Board on all new Board appointments; and

v. determining the level of emoluments of executive, non-executive, independent non-executive directors and Board Committee members.

The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties and shall set the appropriate procedures accordingly. The Committee is also authorised to obtain, at the Group's expense, such outside legal or other independent professional advice as it considers necessary to perform its duties.

5. BOARD AND COMMITTEE ATTENDANCE

		Board	Audit & Risks Committee	Corporate Governance Committee
	Number of meetings held	**4**	**4**	**1**
Executive	Louis Rivalland	4	4*	1*
Independent Non-Executive	Pierre Dinan	3	3	1
	Victor Seeyave	4	3	1
	Gopallen Mooroogen	4	④	1
Non-Executive	Cyril Mayer	④	n/a	①
	Henri Harel	4	4	n/a
	Hector Espitalier-Noël	3	n/a	n/a
	Philippe Espitalier-Noël	2	n/a	n/a
	René Leclézio	4	n/a	n/a

○ Chairperson
* in attendance (not a member)

6. DIRECTORS’ INTERESTS AND DEALING IN SHARES

The Company Secretary maintains a Register of Directors’ Interests, in accordance with the Companies Act 2001. Consequently, as soon as a Director becomes aware that he is interested in a transaction, or that his holdings or his associates’ holdings have changed, the interest should be reported to the Company Secretary in writing.

The Register of Directors’ Interests is updated with every transaction entered into by the Directors and persons closely associated with them. All new Directors are required to notify in writing to the Company Secretary their holdings in the Company’s shares. According to the Company’s Constitution, a Director is not required to hold shares in the Company.

The Directors confirm that they have followed the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

Directors’ interests in shares were as follows:

Directors	Direct		Indirect
	No. of Shares	%	%
M. E. Cyril Mayer	-	-	0.008
J.M. Louis Rivalland	11,729	0.446	-
Philippe Espitalier-Noël	-	-	0.853
Hector Espitalier-Noël	-	-	0.872

Directors’ dealings in shares of the Company were as follows:

Director	Purchased
	No. of Shares
J.M. Louis Rivalland	329

7. DIRECTORS’ REMUNERATION

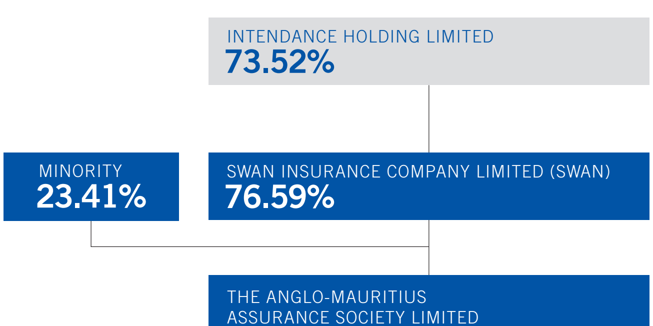
Remuneration and benefits received by the directors during the year were as follows:

	From the Company	From Subsidiary companies
	Rs.	Rs.
Non- Executives	783,000	24,000
Executives	4,853,806	5,242,175

The Directors’ fees and remuneration are in accordance with market rates. They have not been disclosed on an individual basis due to the sensitive nature of the information.

8. SHAREHOLDERS

8.1 Holding structure



As at 31 December 2013, the following shareholders held more that 5% of the share capital of the company.

	Direct		Indirect
	No. of shares	% holding	% holding
Swan Insurance Company Limited	2,015,940	76.59	-
Intendance Holding Limited	-	-	56.31

8.2 Common directors

The following directors were common to the Company, Swan Insurance Company Limited and Intendance Holding Limited:

M.E. Cyril Mayer

Hector Espitalier-Noël

Philippe Espitalier-Noël

Henri Harel

J.M. René Leclézio

8.3 Shareholding profile

Shareholding profile as at 31 December 2013 was as follows:

Size of shareholding	Number of shareholders	Number of shares	% of total issued shares
1 – 500	241	26,379	1.002
501 – 1,000	35	25,829	0.981
1,001 – 5,000	67	134,128	5.096
5,001 – 10,000	10	69,563	2.643
10,001 – 50,000	6	91,638	3.481
50,001 – 100,000	4	268,733	10.209
100,001 – 250,000	0	0	0
250,001 – 500,000	0	0	0
Over 500,000	1	2,015,940	76.587
TOTAL	**364**	**2,632,210**	**100**

8.4 Shareholder category

Shareholder category	Number of shareholders	Number of shares	% of total issued shares
Individuals	289	234,295	8.901
Insurance companies	4	2,023,948	76.892
Pensions and provident funds	8	16,146	0.613
Investment and trust companies	6	6,785	0.258
Other corporate bodies	57	351,036	13.336
TOTAL	**364**	**2,632,210**	**100**

Shareholder category	Number of shareholders	Number of shares	% of total issued shares
Local	350	2,547,311	96.775
Foreign	14	84,899	3.225
TOTAL	**364**	**2,632,210**	**100**

8.5 Shareholder communication and events

The company ensures that shareholders are kept informed on matters affecting the company. The company communicates with its shareholders through press communiqués, publication of quarterly results, its annual report and at the meeting of shareholders. In addition, the company's website is regularly updated with share price and financial results. Board members are encouraged to attend the annual meeting of shareholders. Key events are set out below:

December	Declaration of dividend
January	Payment of dividend
May	Publication of first quarter results
June	Annual meeting of shareholders
August	Publication of half year results
November	Publication of nine months results

8.6 Dividend policy

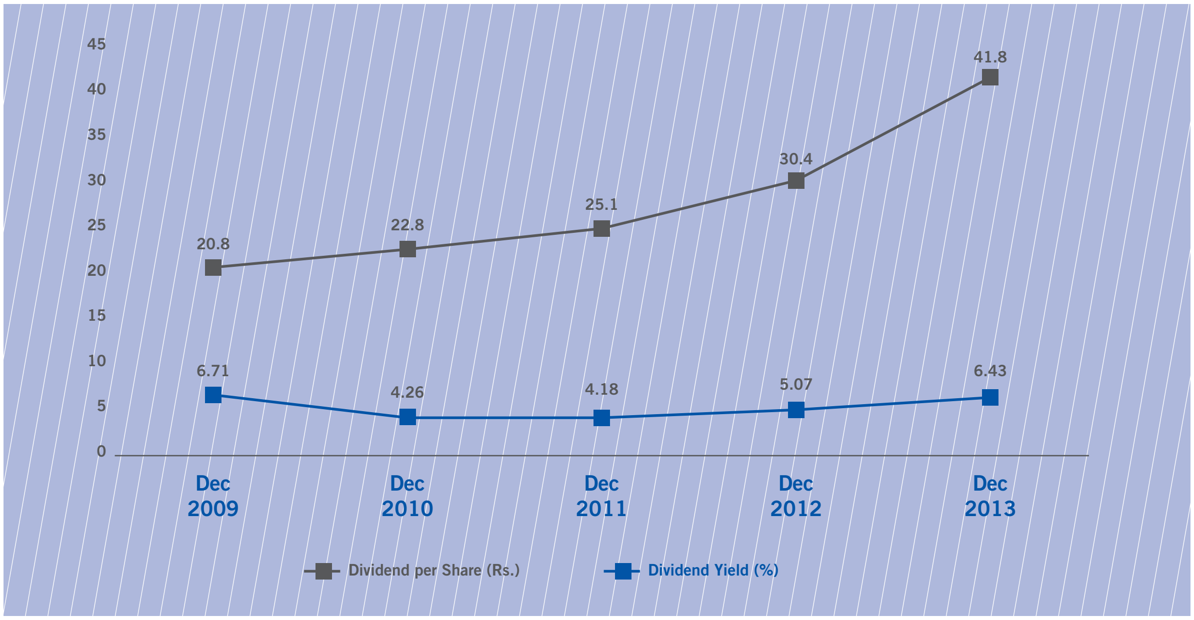
An actuarial valuation report is made by our Consulting Actuaries in accordance with the Insurance Act. The purpose of this valuation is to determine the surplus of the Life Assurance Fund for the period under review.

In compliance with the Insurance Act, the surplus is distributed as follows:

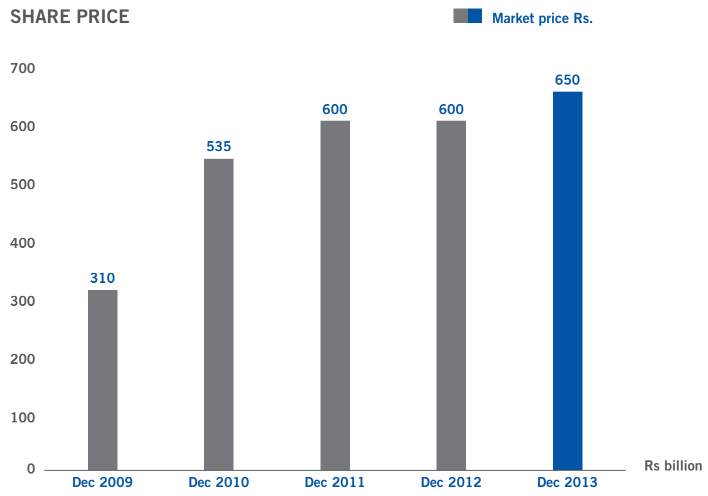
- 90% to policyholders as bonuses on policies.
- 10% to shareholders through a transfer to Proprietors' Fund.

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

For the year under review, the company declared and paid a dividend of Rs. 41.80 per share. Key dividend statistics for the last 5 years are shown below:



8.7 Share price information



9. REMUNERATION POLICY

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

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

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

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

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

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

10. COMPANY SECRETARY

All directors have access to the services of the 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.

11. RELATED PARTY TRANSACTIONS

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

12. CONSTITUTION

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

13. SHAREHOLDERS' AGREEMENTS/THIRD PARTY MANAGEMENT AGREEMENTS

There were no such agreements during the year.

14. INTERNAL AUDIT

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

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

- **Role and responsibilities**

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

- **Reporting and disclosures**

  - *Structure and Organisation*

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

  - *Reporting lines*

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

- **Coverage and Risk management**

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

  - *Accessibility*

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

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

- **Areas covered**

  The internal audit plan is devised based on a risk assessment exercise. During the year, the internal audit covered the following areas:

  a. Loans

  b. IT general controls

  c. Subsidiaries of the company:

  i. Anglo-Mauritius Investment Managers Ltd

  ii. Pension Consultants and Administrators Ltd

  iii. Anglo-Mauritius Stockbrokers Ltd

15. RISK MANAGEMENT

In our business, successful management essentially means controlling risks in order to protect the financial strength of the Group and increase its value on a sustainable basis.

The Board has overall responsibility for the Group's systems of risk management and for reviewing their effectiveness at least annually. The systems are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material financial misstatement or loss.

Executive management has the responsibility for establishing and implementing appropriate systems and controls in their own areas of remit.

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

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

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

Insurance risk

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

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

Reinsurance risk

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

Environment and Strategy risks

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

Environment risks may arise from:

- failure to understand customer needs;
- failure to anticipate or react to actions of competitors; and
- over dependence on vulnerable suppliers.

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

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

- *Regulatory Risks:*

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

- *Industry Risks:*

  Risks which make the industry less attractive as a result of changes in:

  - Key factors for competitive success within the industry, including significant opportunities and threats;
  - Capabilities of existing and potential competitors; and
  - Group's strengths and weaknesses relative to present and future competitors.

Operational risks

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

Operational risks are further broken down into:

- *Human resource risks:*

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

- *Fraud risks:*

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

- *Physical risks:*

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

- *Business Continuity risks:*

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

- *Reputational risks:*

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

Information Processing/Technology Risks

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

Financial Risks

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

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

16. INTERNAL CONTROLS

The Board has the overall responsibility for maintaining a sound and effective system of internal controls to safeguard the Group's assets and shareholders' interests.

The system of internal controls has been designed to safeguard assets of the Group from unauthorised use. The Group maintains proper accounting records to ensure effective operation of its business and compliance with laws and regulations. Management is directly responsible for implementing the strategies and policies adopted by the Board, and for managing all of the Group's activities, including the operation of the internal control system. The system of internal controls is designed to provide assurance against material misstatement or loss, and to manage risks of failure in operational systems.

The key areas that the Board has put in place to provide effective internal controls are as follows:

1) The Board has established a clear organisation structure, including the delegation of appropriate responsibilities to the Board committees, the Group Chief Executive, members of the Senior Management, and to the heads of operating units;

2) The Board assesses the effectiveness of internal controls by considering the recommendations of the Audit & Risks Committee, reports of the internal auditors, feedback from management and the external auditors;

3) A comprehensive management accounting system is in place to provide financial and operational performance data for management accounting purposes. Review of the accounting information takes place on a regular basis at Audit & Risks Committee and Board levels and remedial action is promptly taken, where necessary;

4) There is an ongoing effort to document the system and procedures for each operating unit. These documents are also being updated regularly;

5) A compliance function has been put in place under the leadership of the Money Laundering Reporting Officer and clear compliance procedures have been established. Regular training is being conducted to ensure that:
    - New staff are trained in compliance with requirements that the Group is subject to; and
    - Existing staff are regularly updated on compliance issues;
6) Management has put in place appropriate financial controls by way of segregation of duties of accounting staff; and
7) Management has put in place appropriate operational and compliance controls at all operating units.

17. SHARE OPTION

The Group has no share option plan.

18. CHARITABLE DONATIONS, CORPORATE SOCIAL RESPONSIBILITY AND POLITICAL CONTRIBUTION.

Please refer to 'Other Statutory Disclosures' in the financial statements.

19. STAKEHOLDERS' RELATIONS AND COMMUNICATION

The Group's objective is to properly understand the information needs of stakeholders and to have an open and meaningful dialogue with all its stakeholders. Open lines of communication are maintained to ensure transparency and optimal disclosure. The Company communicates through press communiqués, publication of quarterly results and its annual report. In addition, the Company's website is regularly updated with share price and financial results.

20. CODE OF ETHICS

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

21. ENVIRONMENT, HEALTH & SAFETY AND SOCIAL ISSUES

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

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

Jaiyansing Soobah

for Swan Group Corporate Services Limited

Company Secretary

25 March 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

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

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

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

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

The Directors report that:

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

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

(iii) international financial reporting standards have been adhered to. Any departure in the fair presentation has been disclosed, explained and quantified;

(iv) The Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.

Signed on behalf of the Board of Directors on March 25, 2014

M. E. Cyril Mayer	**J. M. Louis Rivalland**
Chairperson	**Director and Group Chief Executive**

COMPANY SECRETARY'S CERTIFICATE

YEAR ENDED DECEMBER 31, 2013

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

Jaiyansing Soobah

for Swan Group Corporate Services Limited

Company Secretary

March 25, 2014

STATEMENT OF COMPLIANCE

(SECTION 75(3) OF THE FINANCIAL REPORTING ACT)

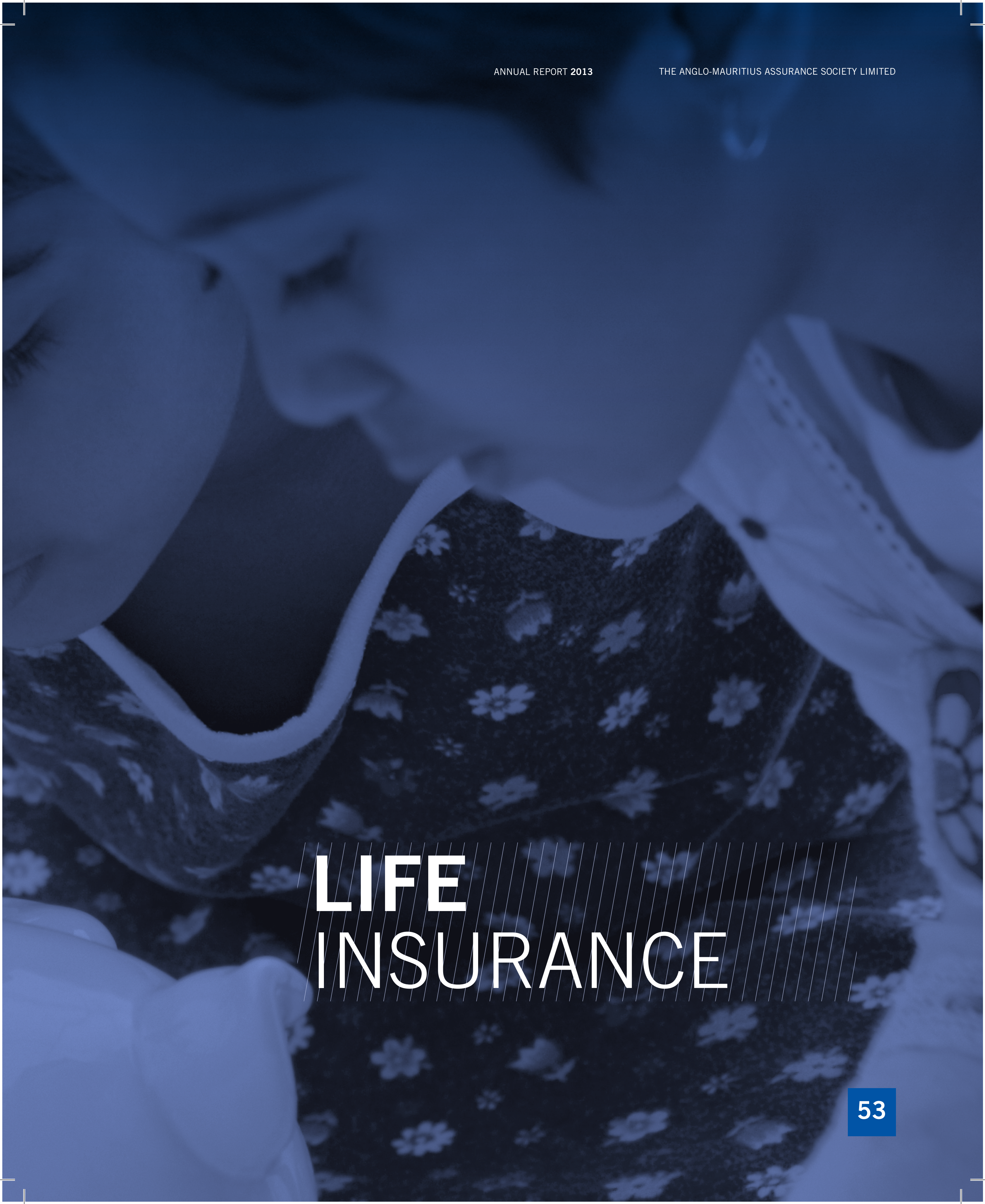
NAME OF ENTITY: THE ANGLO-MAURITIUS ASSURANCE SOCIETY LIMITED

REPORTING PERIOD: YEAR ENDED DECEMBER 31, 2013

We the Directors of the Company confirm to the best of our knowledge that the Company has complied with all its obligations and requirements under the Code of Corporate Governance.

M. E. Cyril Mayer	**J. M. Louis Rivalland**
Chairperson	**Director and Group Chief Executive**

March 25, 2014



LIFE INSURANCE

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of The Anglo-Mauritius Assurance Society Limited and its subsidiaries (the "Group") and the Company's separate financial statements on pages 58 to 118 which comprise the statements of financial position at December 31, 2013 and the life assurance fund, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

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

Opinion

In our opinion, the financial statements on pages 58 to 118 give a true and fair view of the financial position of the Group and of the Company at December 31, 2013, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

Insurance Act 2005

The financial statements have been prepared in the manner and meet the requirements specified by the Financial Services Commission.

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

BDO & CO

BDO & CO
Chartered Accountants

A Ramdin

Ameenah Ramdin, FCCA, ACA
Licensed by FRC
Port-Louis,
Mauritius.

March 25, 2014

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013

	Notes	THE GROUP			THE COMPANY		
		2013	2012	As at January 1, 2012	2013	2012	As at January 1, 2012
ASSETS		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
			Restated	Restated		Restated	Restated
Non-current assets							
Property and equipment	5	246,410	241,646	242,167	221,470	216,392	217,474
Investment properties	6	584,267	543,783	531,547	544,502	504,018	491,782
Intangible assets	7	131,891	142,684	56,816	21,075	27,232	34,514
Investments in subsidiary companies	8	-	-	-	540,012	540,012	71,512
Investments in associated companies	9	39,892	35,483	37,816	614	614	614
Investments in financial assets	10	19,805,540	15,873,374	13,162,053	19,801,796	15,872,171	13,162,053
Loans and receivables	11	4,578,161	3,497,483	2,741,414	4,591,601	3,528,127	2,754,853
Deferred tax assets	17	-	652	169	-	-	-
		25,386,161	20,335,105	16,771,982	25,721,070	20,688,566	16,732,802
Current assets							
Trade and other receivables	12	323,730	292,670	210,944	349,294	271,347	204,664
Investments in financial assets	10	1,403,359	2,081,368	1,766,475	1,403,359	2,081,368	1,766,475
Loans and receivables	11	383,169	349,372	310,328	383,169	339,654	310,328
Short term deposits	13/26(b)	1,438,166	1,648,324	1,682,011	1,438,166	1,648,324	1,682,011
Cash and cash equivalents	26(b)	411,835	472,008	369,811	247,216	400,226	340,116
		3,960,259	4,843,742	4,339,569	3,821,204	4,740,919	4,303,594
Total assets		29,346,420	25,178,847	21,111,551	29,542,274	25,429,485	21,036,396
EQUITY AND LIABILITIES							
Capital and reserves (attributable to owners of the parent)							
Share capital	14	26,322	26,322	25,000	26,322	26,322	25,000
Proprietors' fund		21,397	85,502	119,244	21,397	85,502	119,244
Reserves		61,214	61,214	-	529,643	529,643	-
Owners' interest		108,933	173,038	144,244	577,362	641,467	144,244
Non-controlling interests	15	134,793	125,148	200	-	-	-
Total equity		243,726	298,186	144,444	577,362	641,467	144,244
Technical Provisions							
Life Assurance Fund	2.13/16	28,425,609	24,264,878	20,556,819	28,303,188	24,189,343	20,485,992
Gross outstanding claims	3.1(a) (iii)	41,443	27,322	18,547	41,443	27,322	18,547
		28,467,052	24,292,200	20,575,366	28,344,631	24,216,665	20,504,539
Non-current liabilities							
Deferred tax liabilities	17	69	-	-	-	-	-
Retirement benefit obligations	18	132,414	107,884	128,902	132,451	105,219	126,734
		132,483	107,884	128,902	132,451	105,219	126,734
Current liabilities							
Trade and other payables	19	377,539	390,274	190,574	370,091	382,258	191,854
Current tax liabilities		15,594	10,284	9,515	7,713	3,857	6,275
Dividend payable	24	110,026	80,019	62,750	110,026	80,019	62,750
		503,159	480,577	262,839	487,830	466,134	260,879
Total equity and liabilities		29,346,420	25,178,847	21,111,551	29,542,274	25,429,485	21,036,396

These financial statements have been approved for issue by the Board of Directors on: 25th March 2014

M. E. Cyril MAYER
CHAIRPERSON

J. M. Louis RIVALLAND
DIRECTOR
and GROUP CHIEF EXECUTIVE OFFICER

The notes on pages 62 to 118 form an integral part of these financial statements.
Auditors' report on pages 56 and 57.

LIFE ASSURANCE FUND

YEAR ENDED DECEMBER 31, 2013

		THE GROUP		THE COMPANY					
				NON-LINKED	LINKED	TOTAL	NON-LINKED	LINKED	TOTAL
	Notes	**2013**	2012			**2013**			2012
		Rs'000	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
			Restated				Restated	Restated	Restated
Gross premiums		**2,541,153**	2,286,160	**1,361,549**	**1,179,604**	**2,541,153**	1,233,411	1,052,749	2,286,160
Ceded to reinsurers		**(178,038)**	(122,746)	**(178,038)**	**-**	**(178,038)**	(122,746)	-	(122,746)
Net insurance premiums		**2,363,115**	2,163,414	**1,183,511**	**1,179,604**	**2,363,115**	1,110,665	1,052,749	2,163,414
Consideration for annuities		**384,483**	399,233	**384,483**	**-**	**384,483**	399,233	-	399,233
Fee income on insurance and investment contracts		**316,777**	190,328	**199,623**	**-**	**199,623**	106,791	-	106,791
Investment income	21	**1,180,123**	1,032,547	**899,506**	**319,442**	**1,218,948**	799,984	270,401	1,070,385
Other income	22	**132,603**	68,511	**92,646**	**39,590**	**132,236**	546,225	(9,285)	536,940
Gain on exchange		**-**	43,178	**-**	**-**	**-**	29,560	13,618	43,178
Other operating income - rent		**26,187**	28,437	**22,035**	**-**	**22,035**	24,122	-	24,122
Share of results of associated companies	9	**13,278**	(117)	**-**	**-**	**-**	-	-	-
		4,416,566	3,925,531	**2,781,804**	**1,538,636**	**4,320,440**	3,016,580	1,327,483	4,344,063
Gross death and disablement insurance claims		**170,473**	177,558	**167,237**	**3,236**	**170,473**	170,180	7,121	177,301
Recoverable from reinsurers		**(17,404)**	(36,624)	**(17,404)**	**-**	**(17,404)**	(36,367)	-	(36,367)
Net death and disablement insurance claims		**153,069**	140,934	**149,833**	**3,236**	**153,069**	133,813	7,121	140,934
Maturity claims		**1,130,580**	994,027	**999,679**	**130,901**	**1,130,580**	891,961	102,066	994,027
Surrenders		**240,300**	285,950	**40,157**	**200,143**	**240,300**	102,729	183,221	285,950
Annuities		**358,806**	307,962	**345,928**	**12,877**	**358,805**	296,573	11,389	307,962
Commissions payable to agents and brokers		**117,127**	136,663	**117,127**	**-**	**117,127**	136,663	-	136,663
Fees payable		**109,439**	89,216	**79,848**	**83,650**	**163,498**	53,631	69,531	123,162
Depreciation of property and equipment	5	**14,166**	13,606	**13,185**	**-**	**13,185**	11,264	-	11,264
Depreciation of investment properties	6	**11,457**	10,418	**11,457**	**-**	**11,457**	10,418	-	10,418
Amortisation of intangible assets	7	**12,317**	7,661	**6,444**	**-**	**6,444**	7,282	-	7,282
Computer development expenses		**6,875**	5,896	**6,875**	**-**	**6,875**	5,896	-	5,896
Bad debts and impairment		**29,939**	1,412	**29,939**	**-**	**29,939**	1,412	-	1,412
Marketing and administrative expenses	23	**272,590**	233,981	**214,555**	**-**	**214,555**	192,186	-	192,186
Termination benefits	32	**-**	15,991	**-**	**-**	**-**	15,991	-	15,991
Loss on exchange		**40,551**	-	**19,838**	**20,713**	**40,551**	-	-	-
		2,497,216	2,243,717	**2,034,865**	**451,520**	**2,486,385**	1,859,819	373,328	2,233,147
Surplus for the year before taxation		**1,919,350**	1,681,814	**746,939**	**1,087,116**	**1,834,055**	1,156,761	954,155	2,110,916
Taxation	20	**(26,055)**	(22,326)	**(7,145)**	**-**	**(7,145)**	(9,895)	-	(9,895)
Surplus for the year		**1,893,295**	1,659,488	**739,794**	**1,087,116**	**1,826,910**	1,146,866	954,155	2,101,021
Surplus transferred as follows:									
- Life Assurance Fund	16	**1,836,555**	1,618,365	**700,794**	**1,087,116**	**1,787,910**	644,537	954,155	1,598,692
- Proprietors' fund		**39,000**	33,900	**39,000**	**-**	**39,000**	33,900	-	33,900
- Other reserves		**-**	-	**-**	**-**	**-**	468,429	-	468,429
- Non-controlling interests	15	**17,740**	7,223	**-**	**-**	**-**	-	-	-
		1,893,295	1,659,488	**739,794**	**1,087,116**	**1,826,910**	1,146,866	954,155	2,101,021

The notes on pages 62 to 118 form an integral part of these financial statements.
Auditors' report on pages 56 and 57.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2013

THE GROUP

	Notes	Attributable to owners of the parent						
		Share capital	Proprietors' fund	Amalgamation reserve	Other reserve	Total	Non-controlling interests	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2013		**26,322**	**85,502**	**61,214**	**-**	**173,038**	**125,148**	**298,186**
Interest allocated		**-**	**6,921**	**-**	**-**	**6,921**	**-**	**6,921**
Transfer from Life Assurance Fund		**-**	**39,000**	**-**	**-**	**39,000**	**-**	**39,000**
Net movement for the year	15	**-**	**-**	**-**	**-**	**-**	**17,645**	**17,645**
Dividends	24/15	**-**	**(110,026)**	**-**	**-**	**(110,026)**	**(8,000)**	**(118,026)**
Balance at December 31, 2013		**26,322**	**21,397**	**61,214**	**-**	**108,933**	**134,793**	**243,726**
Balance at January 1, 2012		25,000	119,244	-	-	144,244	200	144,444
Issue of share capital	14	1,322	-	-	-	1,322	-	1,322
Interest allocated		-	12,377	-	-	12,377	-	12,377
Transfer from Life Assurance Fund		-	33,900	-	-	33,900	6,949	40,849
Non-controlling interest arising on business combinations		-	-	-	-	-	117,376	117,376
Net movement for the year	15	-	-	-	-	-	7,223	7,223
Dividends	24/15	-	(80,019)	-	-	(80,019)	(6,600)	(86,619)
Effect of amalgamation		-	-	61,214	-	61,214	-	61,214
Balance at December 31, 2012		26,322	85,502	61,214	-	173,038	125,148	298,186

THE COMPANY

	Notes	Share Capital	Proprietors' Fund	Amalgamation reserve	Other reserve	Total Equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at January 1, 2013		**26,322**	**85,502**	**61,214**	**468,429**	**641,467**
Interest allocated		**-**	**6,921**	**-**	**-**	**6,921**
Transfer from Life Assurance Fund		**-**	**39,000**	**-**	**-**	**39,000**
Dividends	24	**-**	**(110,026)**	**-**	**-**	**(110,026)**
Balance at December 31, 2013		**26,322**	**21,397**	**61,214**	**468,429**	**577,362**
Balance at January 1, 2012		25,000	119,244	-	-	144,244
Issue of share capital	14	1,322	-	-	-	1,322
Interest allocated		-	12,377	-	-	12,377
Transfer from Life Assurance Fund		-	33,900	-	468,429	502,329
Dividends	24	-	(80,019)	-	-	(80,019)
Effect of amalgamation		-	-	61,214	-	61,214
Balance at December 31, 2012		26,322	85,502	61,214	468,429	641,467

The notes on pages 62 to 118 form an integral part of these financial statements.
Auditors' report on pages 56 and 57.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013

	Notes	THE GROUP		THE COMPANY	
		2013	2012	**2013**	2012
		Rs'000	Rs'000	**Rs'000**	Rs'000
			Restated		Restated
Cash flows from operating activities					
Cash generated from operations	26(a)	**613,555**	639,492	**467,676**	601,097
Investment income received		**1,184,094**	1,034,043	**1,210,319**	1,043,985
Tax paid		**(19,870)**	(22,250)	**(3,289)**	(12,313)
Net cash generated from operating activities		**1,777,779**	1,651,285	**1,674,706**	1,632,769
Cash flows from investing activities					
Purchase of property and equipment	5	**(19,731)**	(14,763)	**(19,064)**	(14,130)
Purchase of investment property	6	**(51,941)**	(20,564)	**(51,941)**	(20,564)
Purchase of intangible assets	7	**(1,524)**	-	**(286)**	-
Purchase of financial assets	10	**(3,259,163)**	(3,875,201)	**(3,242,753)**	(3,871,700)
Loans granted		**(1,585,438)**	(1,211,298)	**(1,585,438)**	(1,211,298)
Disposal / maturity of financial assets		**2,527,005**	2,918,839	**2,512,326**	2,915,212
Proceeds from sale of property and equipment		**1,096**	786	**1,096**	786
Proceeds from sale of investment properties		**-**	1,357	**-**	1,357
Loans received		**468,756**	525,649	**468,756**	525,649
Cash and cash equivalents acquired on amalgamation		**-**	87,914	**-**	87,914
Acquisition of subsidiary net of cash		**-**	24,078	**-**	-
Net cash used in investing activities		**(1,920,940)**	(1,563,203)	**(1,917,304)**	(1,586,774)
Cash flows from financing activities					
Dividends paid to Company's shareholders	24	**(80,019)**	(62,750)	**(80,019)**	(62,750)
Dividends paid to non-controlling interest		**(6,600)**	-	**-**	-
Net cash used in financing activities		**(86,619)**	(62,750)	**(80,019)**	(62,750)
(Decrease) / increase in cash and cash equivalents		**(229,780)**	25,332	**(322,617)**	(16,755)
Movement in cash and cash equivalents					
At January 1,		**2,120,332**	2,051,822	**2,048,550**	2,022,127
(Decrease) / increase		**(229,780)**	25,332	**(322,617)**	(16,755)
Effects of exchange rate changes		**(40,551)**	43,178	**(40,551)**	43,178
At December 31,	26(b)	**1,850,001**	2,120,332	**1,685,382**	2,048,550

The notes on pages 62 to 118 form an integral part of these financial statements.
Auditors' report on pages 56 and 57.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

1. GENERAL INFORMATION

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

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

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). Where necessary, comparative figures have been amended to conform with change in presentation and disclosure in the current year. The financial statements are prepared under the historical cost convention, except that:

(i) available-for-sale financial assets and relevant financial assets and liabilities are stated at their fair values; and

(ii) held-to-maturity investments, loans and receivables and relevant financial assets and financial liabilities are carried at amortised cost.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is not expected to have any impact on the Group's financial statements.

IAS 27, 'Separate Financial Statements' deals solely with separate financial statements. The standard has no impact on the Group's financial statements.

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The standard is not expected to have any impact on the Group's financial statements.

IAS 28, 'Investments in Associates and Joint Ventures'. The scope of the revised standard covers investments in joint ventures as well. IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting. The standard has no impact on the Group's financial statements.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard has no impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

IAS 19, 'Employee benefits' was revised in June 2011. The changes on the Group's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with net interest amount that is calculated by applying the discount rate to the net defined benefit liability. See note 27 for the impact on the Group financial statement.

IFRIC 20, 'Stripping costs in the production phase of a surface mine', has no impact on the Group's financial statements.

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offseting. This amendment includes new disclosures and is not expected to have any impact on the Group's financial statements.

Amendment to IFRS 1 (Government Loans) has no impact on the Group's financial statements.

Annual Improvements to IFRSs 2009-2011 Cycle

IFRS 1 (Amendment), 'First time adoption of IFRS', has no impact on the Group's operations.

IAS 1 (Amendment), 'Presentation of financial statements', clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors' or voluntarily.

IAS 16 (Amendment), 'Property, plant and equipment', clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The amendment does not have an impact on the Group's operations.

IAS 32 (Amendment), 'Financial instruments: Presentation', clarifies the treatment of income tax relating to distributions and transaction costs. The amendment does not have an impact on the Group's operations.

IAS 34 (Amendment), 'Interim financial reporting', clarifies the disclosure requirements for segment assets and liabilities in interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2014 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IFRIC 21: Levies

Recoverable Amount Disclosures for Non- financial Assets (Amendments to IAS 36)

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

IFRS 9 Financial instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

Annual Improvements to IFRSs 2010-2012 cycle

Annual Improvements to IFRSs 2011-2013 cycle

Where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property and equipment

All property and equipment are stated at historical cost/deemed cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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% - 33.3%**
Electrical equipment	**10%**
Motor vehicles	**20%**

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposal of property and equipment are determined by comparing proceeds with their carrying amount and are included in the Life Assurance Fund.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in the Life Assurance Fund. Decreases that offset previous increases of the same asset are charged against Life Assurance Fund.

2.3 Intangible assets

Intangible assets consist of the following :

(i) Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of net asset of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Gains on bargain purchase represents the excess of the fair value of the Group's share of net asset acquired over the cost of acquisition and is recognised in the Life Assurance Fund. Goodwill on acquisition of associates is included in investments in associates. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is tested annually for impairment.

On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the gains and losses on disposal. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Intangible assets (cont'd)

(ii) Computer softwares

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

(iii) Development and other costs

Development and other costs are recognised as assets and are amortised over their estimated useful life of 5 years.

(iv) Value of business acquired (VOBA)

Value of business acquired represents the value of the customer lists and customer relationships reflecting the expectation of future contracts that are not part of the contractual insurance rights and contractual insurance obligations that existed at the date of business acquisition. This intangible asset is amortised over the estimated life of the contracts i.e. 15 years.

(v) Customer portfolio

Customer portfolio represents the value of the customer list. It is tested annually for impairment and carried at cost less accumulated impairment losses.

2.4 Investment properties

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

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight line method to write off the cost of each asset, to its residual value over its estimated useful life. The principal annual rate used is:-

Buildings	**2%**

Land is not depreciated.

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

2.5 Impairment of non-financial assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Investment in subsidiaries

Separate financial statements of the investor

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

Consolidated financial statements

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Life Assurance Fund.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in Life Assurance Fund. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the Life Assurance Fund.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investment in associates

Separate financial statements of the investor

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

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholder between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method except when classified as held-for-sale. The Group's investment in associates may include goodwill, net of any accumulated impairment loss identified on acquisition. Investment in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition and the Group's share of net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised in goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to Life Assurance Fund where appropriate.

Dillution gains and losses arising in investments in associates are recognised in Life Assurance Fund.

2.8 Financial assets

(a) Categories of financial assets

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

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are recognised initially at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial assets (cont'd)

(a) Categories of financial assets (cont'd)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

(iii) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period.

(b) Recognition and measurement

Purchases and sales of financial assets 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.

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

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

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity of the subsidiaries and in the Life Assurance Fund for the Company, until the security is disposed of or found to be impaired, at which time the cumulative gain or loss previously recognised in equity or in the Life Assurance Fund is included in the Life Assurance Fund as gains and losses on financial assets. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the Life Assurance Fund as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices (Level 1). The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. These valuation techniques maximise the use of observable data where it is available and rely as little as on entity specific estimates (Level 2), if the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and net assets basis (Level 3), see note 10.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial assets (cont'd)

(c) Impairment of financial assets

(i) Financial assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity, is removed from equity and recognised in the Life Assurance Fund. Impairment loss for the Group is recognised in the Life Assurance Fund. Impairment losses recognised in Life Assurance Fund for an investment in an equity instrument classified as available-for-sale are not reversed through the Life Assurance Fund.

(ii) Financial assets carried at amortised cost

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and, the amount of the loss is recognised in the Life Assurance Fund. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through the Life Assurance Fund to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.9 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in the Life Assurance Fund.

2.10 Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand , deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

2.12 Share Capital

Ordinary shares are classified as equity.

2.13 Life Assurance Fund

(i) Non-Linked Account

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

(ii) Linked Account

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

2.14 Retirement Benefit Obligations

(i) Defined Benefit Plan

The Group contributes to a defined benefit plan, the assets of which are held independently and administered by The Anglo-Mauritius Assurance Society Limited.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to Life Assurance Fund in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in the Life Assurance Fund.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in the Life Assurance Fund.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Retirement Benefit Obligations (cont'd)

(ii) Defined Contribution Plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates a defined contribution retirement benefit plan for all qualifying employees (new entrants and their dependents). Payments to deferred contribution retirement plans are charged as an expense as they fall due.

(iii) Termination benefits

Termination benefits are payable when the employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) The Company

The Company, 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 as the assets are not legally separate and cannot therefore be considered as plan assets.

2.15 Deferred income tax

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

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

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

2.16 Alternative minimum tax

Alternative Minimum Tax (AMT) is provided for, where a company which has a tax liability of less than 7.5% of its book profit pays a dividend. AMT is calculated as the lower of 10% of the dividend paid and 7.5% of book profit.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Insurance contracts - The Company

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

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

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

(i) <u>Long-term insurance contracts without fixed terms and with discretionary participating feature (DPF)</u>

This type of contracts entitles the contract holders to a minimum guaranteed amount. The Discretionary Participating Feature (DPF) component gives the contract holders contractual rights to bonuses in addition to the minimum guaranteed amounts. A bonus is declared when the actual return on backing assets is higher than the expected return at inception of the contract. The amount and timing of the settlement of the DPF element is however at the discretion of the Company. The bonus is derived from the DPF eligible surplus available arising mainly from upon revaluation of backing assets. Revaluation of long term business assets is carried out by independent Actuaries on a triennial basis.

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

(ii) <u>Long-term insurance contracts with fixed and guaranteed terms</u>

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

(iii) <u>Unit-Linked</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition

(i) The Group

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

(ii) The Company

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

(iii) Other revenues earned by the Group are recognised on the following bases:

(i) Consideration for annuities - upon maturity of insurance contracts.

(ii) Rental income - as it accrues based on the terms of the rental contract.

(iii) Interest income - on a time-proportion basis using the effective interest method.

(iv) Dividend income - when the shareholder's right to receive payment is established.

2.19 Liability adequacy test

The Company's independent Actuaries review contract liabilities and carry out a liability adequacy test using current estimates of future contractual cash flows after taking into account the investment return expected on assets relating to the relevant long term business. Any deficiency is immediately recognised to the Life Assurance Fund by establishing a provision for the losses arising from liability adequacy test (the unexpired risk provision).

2.20 Reinsurance contracts

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Foreign Currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Translation of foreign entities

The results and financial position of foreign entities which have a functional currency different from that of the presentation currency of the Company, are translated as follows:

(i) assets and liabilities are translated at the end of the reporting period rate;

(ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) the resulting exchange differences are recognised in the 'Translation Reserve', as a separate component of equity.

In the event of disposal, such translation differences are recognised in the Life Assurance Fund as part of the gain or loss on sale.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

2.23 Dividend distribution

Dividend distribution to the Company's proprietors is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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

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

3.1 Insurance risk

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

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

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

(a) Insurance contracts

(i) Concentration, frequency and severity of claims

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

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

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

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

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.1 Insurance risk (cont'd)

(a) Insurance contracts (cont'd)

(ii) Sources of uncertainty in the estimation of future payments and premium receipts

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

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

(iii) Claims development

The claims relates to death claims of the Company. The table below illustrates the outstanding claims at the end of the previous five years appearing in the statement of financial position:

	2009	2010	2011	2012	2013
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross outstanding claims	13,982	18,747	18,547	27,322	**41,443**

3.2 Financial risk

The Group's activities are exposed to financial risks through its financial assets, financial liabilities, insurance and reinsurance assets and liabilities. In particular, the key financial risk is that investment proceeds are not sufficient to fund the obligations arising from insurance contracts.

The most important components of this financial risk are :

- Market risk (which includes currency risk, interest rate risk and equity price risk)
- Credit risk;
- Liquidity risk;
- Capital management; and
- Fair value estimation.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and control, and to monitor the risks and adherence to limits by means of reliable and up-to-date administrative and information systems.

The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. The Board recognises the critical importance of having efficient and effective risk management policies and systems in place. To this end, there is a clear organisational structure with delegated authorities and responsibilities from the Board to Board Committees, executives and senior management. Individual responsibility and accountability are designed to deliver a disciplined, conservative and constructive culture of risk management and control.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.1 Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuation in interest rates, equity prices, property prices and foreign currency exchange rates.

The Group has established policies which set out the principles that they expect to adopt in respect of management of the key market risks to which they are exposed. The Group monitors adherence to this market risk policy through the Group Investment Committee. The Group Investment Committee is responsible for managing market risk at Company level.

The financial impact from market risk is monitored at board level through investment reports which examine impact of changes in market risk on investment returns and asset values. The Group's market risk policy sets out the principles for matching liabilities with appropriate assets, the approaches to be taken when liabilities cannot be matched and the monitoring processes that are required.

(i) Currency risk

The Group:

The Company has an investment in a Global Business Licence '(GBL)' company which in turn holds an equity investment in Seychelles and Reunion Island. The net assets of the GBL company is exposed to currency translation risk.

The Company :

The Company purchases reinsurance contracts internationally, thereby exposing it to foreign currency fluctuations. The Company's primary exposures are with respect to the Euro, US Dollar and UK pound sterling.

The Company also has a number of investments in foreign currencies, namely Euro, US Dollar, UK pound sterling, which are exposed to currency risk.

The Investment Committee closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged.

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.1 Market risk (cont'd)

The Group's financial assets and financial liabilities by currency is detailed below :

At December 31, 2013	Rs.	GBP	USD	Euro	Others	Total
Assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Financial assets	**15,837,962**	**30,433**	**4,268,543**	**850,418**	**221,543**	**21,208,899**
- Loans and receivable	**4,961,330**	**-**	**-**	**-**	**-**	**4,961,330**
- Other non-current assets	**1,002,460**	**-**	**-**	**-**	**-**	**1,002,460**
- Current assets						
• Trade and other receivables	**323,730**	**-**	**-**	**-**	**-**	**323,730**
• Bank balances, deposits and cash	**1,175,384**	**10,117**	**278,872**	**27,508**	**358,120**	**1,850,001**
TOTAL ASSETS	**23,300,866**	**40,550**	**4,547,415**	**877,926**	**579,663**	**29,346,420**
Liabilities						
- Technical Provisions :						
• Life assurance fund	**28,425,609**	**-**	**-**	**-**	**-**	**28,425,609**
• Outstanding claims and IBNR	**41,443**	**-**	**-**	**-**	**-**	**41,443**
- Non-current liabilities	**132,483**	**-**	**-**	**-**	**-**	**132,483**
- Current liabilities	**503,159**	**-**	**-**	**-**	**-**	**503,159**
TOTAL LIABILITIES	**29,102,694**	**-**	**-**	**-**	**-**	**29,102,694**

At December 31, 2012 - Restated	Rs.	GBP	USD	Euro	Others	Total
Assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Financial assets	13,827,890	1,642	3,452,550	536,333	136,327	17,954,742
- Loans and receivable	3,846,855	-	-	-	-	3,846,855
- Other non-current assets	964,248	-	-	-	-	964,248
- Current assets						
• Trade and other receivables	292,670	-	-	-	-	292,670
• Bank balances, deposits and cash	1,281,796	8,258	418,321	20,842	391,115	2,120,332
TOTAL ASSETS	20,213,459	9,900	3,870,871	557,175	527,442	25,178,847
Liabilities						
- Technical Provisions :						
• Life assurance fund	24,264,878	-	-	-	-	24,264,878
• Outstanding claims and IBNR	27,322	-	-	-	-	27,322
- Non-current liabilities	107,884	-	-	-	-	107,884
- Current liabilities	480,577	-	-	-	-	480,577
TOTAL LIABILITIES	24,880,661	-	-	-	-	24,880,661

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.1 Market risk (cont'd)

(i) Currency risk

Sensitivity

If the rupee had weakened/strengthened against the following currencies with all variables remaining constant, the impact on the Life Assurance Fund for the year would have been as shown below mainly as a result of foreign exchange gains/losses.

	GBP		USD		EURO		OTHERS	
	+5%	-5%	+5%	-5%	+5%	-5%	+5%	-5%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Impact on Life Assurance Fund :								
- At December 31, 2013								
- Financial assets	**1,522**	**(1,522)**	**213,427**	**(213,427)**	**42,521**	**(42,521)**	**11,077**	**(11,077)**
- Bank balances, deposits and cash	**506**	**(506)**	**13,944**	**(13,944)**	**1,375**	**(1,375)**	**17,906**	**(17,906)**
- At December 31, 2012								
- Financial assets	82	(82)	172,627	(172,627)	26,817	(26,817)	6,816	(6,816)
- Bank balances, deposits and cash	413	(413)	20,916	(20,916)	1,042	(1,042)	19,556	(19,556)

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.1 Market risk (cont'd)

(ii) Interest rate risk

The Group:

Interest rate risk arises from the Group's investments in long term debt securities and fixed income securities (held-to-maturity Investments), bank balances and deposits which are exposed to fluctuations in interest rates. Exposure to interest rate risk on short term business is monitored by the Investment Committee through a close matching of assets and liabilities. The impact of exposure to sustained low interest rates is also regularly monitored.

The interest rate profiles of the financial assets of the Group as at December 31, were as follows:

	2013	2012
	%	%
Held-to-Maturity investments	**7.00 - 13.25**	7.00 - 13.25
Loans and receivables	**6.00 - 14.00**	6.00 - 12.00
Short term deposits	**3.00 - 5.00**	3.00 - 5.00
Bank balances	**0.00 - 3.65**	0.00 - 5.00

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's surplus for the year ended December 31, 2013 would increase/decrease by Rs 63.0m (2012: Rs.62.2m)

The Company :

For liabilities under long term insurance contracts with fixed and guaranteed terms, changes in interest rate will not cause a change to the amount of liability because their carrying amounts are not affected by the level of market interest rates.

For unit linked contracts, the Company matches all the assets on which the unit prices are based with assets in the portfolio. There is therefore no price, currency or interest risk on these contracts.

However for insurance contracts with DPF, the DPF element liabilities are directly affected by changes in the level of interest rates to the extent that they affect the carrying amount of underlying assets. An increase in the value of the assets would require all other assumptions being equal, an increase in in the DPF liability and vice versa.

Management regularly monitors the sensitivity of reported interest rate movements.

Sensitivity

A change of 50 basis point in interest rates has no material impact on the DPF eligible surplus of the life fund.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.1 Market risk (cont'd)

(iii) Equity price risk

The Group is subject to price risk due to daily changes in the market values of its equity securities portfolio. Equity price risk is actively managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set out investment concentration as part as overall prudent portfolio investment policy.

The Group does not have material holdings in unquoted equity securities. The Investment Committee actively monitors equity assets owned directly by the Company as well as concentrations of specific equity holdings. Equity price risk is also mitigated as the Group holds diversified portfolios of local and foreign investments in various sectors of the economy actively monitors equity assets owned directly by the Company as well as concentrations of specific equity holdings. Equity price risk is also mitigated as the Group holds diversified portfolios of local and foreign investments in various sectors of the economy.

Sensitivity

The impact on the Life Assurance Fund had the equity market values increased/decreased by 1% with 'other assumptions left unchanged would have been as follows:

	Impact on Shareholders' Equity	
	+1%.	-1%
At December 31, 2013	Rs'm	Rs'm
- Available for sale financial assets	**133**	**(133)**
At December 31, 2012		
- Available for sale financial assets	107	(107)

3.2.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instruments fails to meet all or part of their obligations. The Group's credit risk is primarily attributable to :
- reinsurer's share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders, and
- amounts due from insurance intermediaries.

The amounts presented in the statements of financial position are net of allowances for estimated irrecoverable amount receivables, based on management's prior experience and the current economic environment.

The Group has no significant concentration of credit risk in respect of its insurance business with exposure spread over a large number of clients, agents and brokers. The Group has policies in place to ensure that sales of services are made to clients, agents, and brokers with sound credit history.

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.2 Credit risk (cont'd)

Reinsurance credit exposures - The Company

The Company is however exposed to concentrations of risks with respect to its reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Company is exposed to the possibility of default by its reinsurers in respect of share of insurance liabilities and refunds in respect of claims already paid.

The Company manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk. The Company's largest reinsurance counterparty is Swiss Re. At December 31, 2013, the reinsurance assets recoverable was Rs 2.3m (2012 : Rs.23.4m).

This exposure is monitored on a regular basis for any shortfall in the claims history to verify that the contract is progressing as expected and that no further exposure for the Company will arise.

Management also monitors the financial strength of reinsurers and there are policies in place to ensure that risks are ceded to top-rated and credit worthy reinsurers only.

The following table provides information regarding the carrying value of loans and receivables that have been impaired.

	Neither past due nor impaired	Impaired	Carrying amount at year end
	Rs'000	Rs'000	Rs'000
2013			
- Loans and receivables	**5,003,513**	**42,183**	**4,961,330**
- Trade and other receivables	**323,730**	**-**	**323,730**
2012			
- Loans and receivables	3,818,299	28,556	3,846,855
- Trade and other receivables	292,670	-	292,670

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.3 Liquidity risk

The Group has strong liquidity positions and liquidity risk is considered to be low. Through the application of the liquidity management policy, the Group seeks to maintain sufficient financial resources to meet its obligations as they fall due.

The tables below analyses the Group's financial assets and liabilities to the relevant maturity groupings based on the remaining years of repayment.

Maturities of financial assets and liabilities:

At December 31, 2013	< 1 year	1 to 5 years	>5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Assets				
- Financial assets	14,698,886	1,365,403	5,144,610	21,208,899
- Loans and receivable	197,607	1,222,143	3,541,580	4,961,330
- Other non-current assets	-	257,470	744,990	1,002,460
- Current assets				
• Trade and other receivables	323,730	-	-	323,730
• Bank balances, deposits and cash	1,850,001	-	-	1,850,001
TOTAL ASSETS	17,070,224	2,845,016	9,431,180	29,346,420
Liabilities				
- Technical Provisions :				
• Life assurance fund	28,425,609	-	-	28,425,609
• Outstanding claims and IBNR	41,443	-	-	41,443
- Non-current liabilities	-	132,483	-	132,483
- Current liabilities	503,159	-	-	503,159
TOTAL LIABILITIES	28,970,211	132,483	-	29,102,694

At December 31, 2012 - Restated	< 1 year	1 to 5 years	>5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Assets				
- Financial assets	12,459,532	1,694,084	3,801,126	17,954,742
- Loans and receivable	359,090	3,437,727	50,038	3,846,855
- Other non-current assets	-	397,534	566,714	964,248
- Current assets				
• Trade and other receivables	292,670	-	-	292,670
• Bank balances, deposits and cash	2,120,332	-	-	2,120,332
TOTAL ASSETS	15,231,624	5,529,345	4,417,878	25,178,847
Liabilities				
- Technical Provisions :				
• Life assurance fund	24,264,878	-	-	24,264,878
• Outstanding claims and IBNR	27,322	-	-	27,322
- Non-current liabilities	-	107,884	-	107,884
- Current liabilities	480,577	-	-	480,577
TOTAL LIABILITIES	24,772,777	107,884	-	24,880,661

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.4 Capital Management

The main objectives of the Company when managing capital are :

- to maintain at all times the Minimum Capital Requirement as required by the Insurance Act 2005, i.e. as determined by the company's actuary at the higher of :

  (a) a stress test requirement determined in accordance with guidelines issued by the Commission or

  (b) the higher of an amount of Rs. 25m or an amount representing 13 weeks' operating expenses.

- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

- to provide an adequate return to shareholders by pricing insurance contracts and other services commensurately with the level of risk.

The Company is required to maintain at all times a solvency margin that is at least equal to the Minimum Capital Requirement.

The Company's capital and solvency margins are above the minimums required by the Insurance Act 2005 and proper internal controls are in place to ensure that they remain so.

3.2.5 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of thereporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that arebased on market conditions existing at each end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Critical accounting estimates and assumptions

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

4.1 Insurance contracts - The Company

(i) Estimates of future benefit payments

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

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

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

4.1 Insurance contracts (cont'd)

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

(ii) Sensitivity

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

4.2 Reinsurance - The Company

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

4.3 Held-to-maturity investments

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

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

4.4 Impairment of available-for-sale financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

4.5 Impairment of other assets

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

4.6 Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligation.

The Group determines the appropriate discount rate at the end of the year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the company considers the interest rate of high quality corporate bond will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions.

Additional information is disclosed in Note 18.

4.7 Fair value of security not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.8 Limitation of sensitivity analysis

The sensitivity analyses demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not take into consideration that the Group's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's views of possible near-term market changes that cannot be predicted with any certainty.

5. PROPERTY AND EQUIPMENT

(a) THE GROUP

	Freehold land and buildings	Furniture fixtures & fittings	Computer Equipment	Electrical Equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST / DEEMED COST						
At January 1, 2012	252,394	84,411	46,812	2,248	17,592	403,457
Acquisition through business combination	-	5,493	1,129	-	-	6,622
Additions	-	10,862	1,976	-	1,925	14,763
Disposals	-	-	(85)	-	(3,419)	(3,504)
At December 31, 2012	252,394	100,766	49,832	2,248	16,098	421,338
Additions	-	10,293	5,927	-	3,511	19,731
Disposals	-	-	(39)	-	(2,664)	(2,703)
At December 31, 2013	252,394	111,059	55,720	2,248	16,945	438,366
DEPRECIATION						
At January 1, 2012	28,879	76,637	42,660	2,248	10,866	161,290
Acquisition through business combination	-	3,236	1,116	-	-	4,352
Charge for the year	4,654	4,236	3,259	-	1,457	13,606
Disposal adjustments	-	-	(85)	-	(3,008)	(3,093)
Transfer from investment properties	3,537	-	-	-	-	3,537
At December 31, 2012	37,070	84,109	46,950	2,248	9,315	179,692
Charge for the year	4,652	3,820	3,884	-	1,810	14,166
Disposal adjustments	-	-	(39)	-	(1,863)	(1,902)
At December 31, 2013	41,722	87,929	50,795	2,248	9,262	191,956
NET BOOK VALUE						
At December 31, 2013	210,672	23,130	4,925	-	7,683	246,410
At December 31, 2012	215,324	16,657	2,882	-	6,783	241,646

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

5. PROPERTY AND EQUIPMENT (CONT'D)

(b) THE COMPANY

	Freehold land and buildings	Furniture fixtures & fittings	Computer Equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1, 2012	228,295	83,550	45,068	16,311	373,224
Additions	-	10,630	1,575	1,925	14,130
Disposals	-	-	(85)	(3,419)	(3,504)
At December 31, 2012	228,295	94,180	46,558	14,817	383,850
Additions	-	9,740	5,813	3,511	19,064
Disposals	-	-	(39)	(2,664)	(2,703)
At December 31, 2013	228,295	103,920	52,332	15,664	400,211
DEPRECIATION					
At January 1, 2012	28,357	75,806	41,101	10,486	155,750
Charge for the year	4,566	2,356	3,077	1,265	11,264
Transfer from investment properties	3,537	-	-	-	3,537
Disposal adjustments	-	-	(85)	(3,008)	(3,093)
At December 31, 2012	36,460	78,162	44,093	8,743	167,458
Charge for the year	4,566	3,220	3,781	1,618	13,185
Disposal adjustments	-	-	(39)	(1,863)	(1,902)
At December 31, 2013	41,026	81,382	47,835	8,498	178,741
NET BOOK VALUE					
At December 31, 2013	187,269	22,538	4,497	7,166	221,470
At December 31, 2012	191,835	16,018	2,465	6,074	216,392

6. INVESTMENT PROPERTIES

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
COST		
At January 1, 2012	591,648	551,635
Additions	20,564	20,564
Disposals	(1,656)	(1,656)
At December 31, 2012	610,556	570,543
Additions	51,941	51,941
At December 31, 2013	662,497	622,484
DEPRECIATION		
At January 1, 2012	60,101	59,853
Charge for the year	10,418	10,418
Disposal adjustment	(209)	(209)
Transfer to property and equipment	(3,537)	(3,537)
At December 31, 2012	66,773	66,525
Charge for the year	11,457	11,457
At December 31, 2013	78,230	77,982
NET BOOK VALUE		
At December 31, 2013	584,267	544,502
At December 31, 2012	543,783	504,018

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

	THE GROUP		THE COMPANY	
	2013	2012	**2013**	2012
	Rs'000	Rs'000	**Rs'000**	Rs'000
At December 31,	**1,353,352**	1,353,352	**1,271,852**	1,271,852

The investment properties were revalued in December 2011 by International Valuers Limited, on an open market value basis and the valuation is performed every 3 years. The directors have reassessed the fair values of the investment properties at December 31, 2013. On the basis of current economic and property environment and after consultation with the independent valuer, the directors are satisfied that the carrying value of the investment properties reflects their fair value at the reporting date.
The following have been recognised in the Life Assurance Fund.

	THE GROUP		THE COMPANY	
	2013	2012	**2013**	2012
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rental income	**54,665**	54,487	**49,696**	49,360
Direct operating expenses	**39,617**	36,082	**39,118**	35,655

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

7. INTANGIBLE ASSETS

THE GROUP	Goodwill	Computer Softwares	Development Cost	VOBA	Others *	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At January 1, 2012	21,444	13,447	21,975	28,477	-	85,343
Additions through business combination	38,154	-	-	-	55,375	93,529
At December 31, 2012	59,598	13,447	21,975	28,477	55,375	178,872
Additions	-	1,524	-	-	-	1,524
At December 31, 2013	59,598	14,971	21,975	28,477	55,375	180,396
AMORTISATION						
At January 1, 2012	-	11,546	13,185	3,796	-	28,527
Charge for the year	-	1,368	4,395	1,898	-	7,661
At December 31, 2012	-	12,914	17,580	5,694	-	36,188
Charge for the year	-	487	4,395	1,898	5,537	12,317
At December 31, 2013	-	13,401	21,975	7,592	5,537	48,505
NET BOOK VALUE						
At December 31, 2013	59,598	1,570	-	20,885	49,838	131,891
At December 31, 2012	59,598	533	4,395	22,783	55,375	142,684

* Others represents the value of customer lists acquired.

7. INTANGIBLE ASSETS (CONT'D)

THE COMPANY	Computer Softwares	Development Cost	VOBA	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At January and December 31, 2012	9,603	21,975	28,477	60,055
Additions	286	-	-	286
At December 31,2013	9,889	21,975	28,477	60,341
AMORTISATION				
At January 1, 2012	8,560	13,185	3,796	25,541
Charge for the year	988	4,395	1,898	7,282
At December 31, 2012	9,548	17,580	5,694	32,823
Charge for the year	151	4,395	1,898	6,444
At December 31, 2013	9,699	21,975	7,592	39,267
NET BOOK VALUE				
At December 31, 2013	190	-	20,885	21,075
At December 31, 2012	55	4,395	22,783	27,232

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2013	2012
	Rs'000	Rs'000
(a) UNQUOTED		
At January 1,	**540,012**	71,512
Addition	**-**	469,500
Disposal	**-**	(1,000)
At December 31,	**540,012**	540,012

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

8. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST (CONT'D)

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

Name of subsidiaries	Class of shares held	Stated capital	Nominal value of investment	Proportion of ownership interest Direct	Proportion of ownership interest Indirect	Proportion of ownership interests held by non-controlling interests	Place of business	Country of incorporation	Main business
2013 & 2012		Rs'000	Rs'000	%	%	%			
• Manufacturers' Distributing Station Limited	Ordinary	961	47,686	99.8%	-	0.2%	Port Louis	Mauritius	• Investment Company
• Pension Consultant and Administration Limited (c)	Ordinary	4,100	22,825	100.0%	-	-	Port Louis	Mauritius	• Pension and fund administration
• Anglo-Mauritius Financial Solutions Limited (c)	Ordinary	586,876	469,500	80.0%	-	20.0%	Port Louis	Mauritius	• Investment Company
• Anglo-Mauritius Investment Managers Limited	Ordinary	1,000	-	-	80.0%	20.0%	Port Louis	Mauritius	• Fund management and investment consulting
• Anglo-Mauritius Stockbrokers Limited	Ordinary	1,000	-	-	80.0%	20.0%	Port Louis	Mauritius	• Stockbroking
• Société de la Croix (d)	Parts	2,500	-	-	99.8%	0.2%	Port Louis	Mauritius	• Investment entity
• Société de la Montagne (d)	Parts	45,654	-	-	99.8%	0.2%	Port Louis	Mauritius	• Investment entity
• Société de la Rivière (d)	Parts	2,500	-	-	99.8%	0.2%	Port Louis	Mauritius	• Investment entity
• Swan Group Foundation	Limited by guarantee	1	1	50.0%	-	50.0%	Port Louis	Mauritius	• Management of Swan Group CSR fund (not consolidated)
			540,012						

(c) As from 1st May 2010, an agreement has been reached whereby the proprietors' will have a right to dividend of the Company.

(d) The Company owns 100% of the three above-named sociétés through Manufacturers' Distributing Station Limited.

(e) Details for subsidiaries are as follows:

Name of subsidiary	Profit/(loss) allocated to non-controlling interests during the year	Accumulated non-controlling interests at December 31,
2013		
• Manufacturers' Distributing Station Limited (group)	**6**	**213**
• Anglo-Mauritius Financial Solutions Limited	**160**	**109,865**
• Anglo-Mauritius Investment Managers Limited	**15,084**	**20,830**
• Anglo-Mauritius Stockbrokers Limited	**2,490**	**3,885**
	17,740	**134,793**
2012		
• Manufacturers' Distributing Station Limited (group)	7	207
• Anglo-Mauritius Financial Solutions Limited	(19)	117,706
• Anglo-Mauritius Investment Managers Limited	5,920	5,920
• Anglo-Mauritius Stockbrokers Limited	1,315	1,315
	7,223	125,148

8. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST (CONT'D)

(f) Summarised financial information on subsidiaries

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income.

Name of subsidiary	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non-controlling interests
2013	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
• Manufacturers' Distributing Station Limited (group)	**9,551**	**43,041**	**3,658**	**-**	**4,969**	**3,013**	**-**	**3,013**	**5**
• Pension Consultant and Administration Limited	**28,817**	**502**	**14,147**	**24**	**27,012**	**9,422**	**-**	**9,422**	**-**
• Anglo-Mauritius Financial Solutions Limited	**47,116**	**582,178**	**40,174**	**-**	**46,500**	**40,798**	**-**	**40,798**	**8,000**
• Anglo-Mauritius Investment Managers Limited	**124,227**	**761**	**53,890**	**45**	**113,225**	**75,421**	**(873)**	**74,548**	**-**
• Anglo-Mauritius Stockbrokers Limited	**51,420**	**4,497**	**25,002**	**-**	**34,017**	**12,452**	**400**	**12,852**	**-**
2012									
• Manufacturers' Distributing Station Limited (group)	6,282	43,127	988	-	5,127	3,558	-	3,558	8
• Pension Consultant and Administration Limited	18,278	426	5,925	52	23,873	8,037	-	8,037	-
• Anglo-Mauritius Financial Solutions Limited	34,001	586,876	33,095	-	34,000	33,906	-	33,906	6,600
• Anglo-Mauritius Investment Managers Limited	48,908	1,135	11,021	1,676	77,700	48,576	-	48,576	-
• Anglo-Mauritius Stockbrokers Limited	47,969	2,341	25,747	-	17,743	6,574	-	6,574	-

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

8. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST (CONT'D)

(f) Summarised financial information on subsidiaries (cont'd)

(ii) Summarised cash flow information:

Name of subsidiary	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
2013	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
• Manufacturers' Distributing Station Limited (group)	**5,687**	**-**	**(2,500)**	**3,187**
• Pension Consultant and Administration Limited	**11,995**	**(489)**	**-**	**11,506**
• Anglo-Mauritius Financial Solutions Limited	**34,455**	**(839)**	**(33,000)**	**616**
• Anglo-Mauritius Investment Managers Limited	**73,087**	**(113)**	**-**	**72,974**
• Anglo-Mauritius Stockbrokers Limited	**12,881**	**(2,327)**	**(6,000)**	**4,554**
2012				
• Manufacturers' Distributing Station Limited (group)	3,793	-	(4,275)	(482)
• Pension Consultant and Administration Limited	9,591	(84)	(7,500)	2,007
• Anglo-Mauritius Financial Solutions Limited	-	-	-	-
• Anglo-Mauritius Investment Managers Limited	30,999	(197)	(28,000)	2,802
• Anglo-Mauritius Stockbrokers Limited	13,906	23,853	-	37,759

The summarised financial information above is the amount before intra-group eliminations.

9. INVESTMENTS IN ASSOCIATED COMPANIES

	2013	2012
	Rs'000	Rs'000
(a) The Company		
At January 1 and December 31,	614	614

(b) Group's share of net assets	2013	2012
	Rs '000	Rs '000
At January 1,	35,483	37,816
Share of results of associated companies	13,278	(117)
Dividends	-	(1,496)
Transfer from loan and receivables	-	7,487
Loan granted	10,615	-
Impairment of loan	(18,103)	-
Share of reserves	(1,381)	5,190
Other movement	-	(13,397)
At December 31,	39,892	35,483

(c) Details of each of the material associates at the end of the reporting year, are as follows:

Name	Year end	Nature of business	Principal place of business	Country of incorporation	Proportion of ownership interest Direct
2013 / 2012					
Swan Group Corporate Services Ltd	Dec-31	Secretarial	Port Louis	Mauritius	50%
Swan International Ltd	Dec-31	Reinsurance brokers and consultants	Port Louis	Mauritius	49%

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(d) Summarised financial information in respect of each of the associated companies is set out below

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend received during the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2013									
Swan Group Corporate Services Ltd	**3,642**	**126**	**1,894**	**-**	**1,063**	**146**	**-**	**146**	**-**
Swan International Ltd	**15,730**	**70,507**	**13,188**	**5,266**	**957**	**26,948**	**(2,819)**	**24,129**	**-**
2012									
Swan Group Corporate Services Ltd	2,324	156	752	-	602	248	-	248	-
Swan International Ltd	8,795	89,038	18,129	5,367	2,397	(492)	(10,592)	(11,084)	1,496

(e) Reconciliation of summarised financial information

Name	Opening net assets January 1,	Profit/(loss) for the year	Other comprehensive income for the year	Other movement	Closing net assets	Ownership interest	Interest in associates	Goodwill	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
2013									
Swan Group Corporate Services Ltd	**1,729**	**146**	**-**	**-**	**1,875**	**50%**	**937**	**-**	**937**
Swan International Ltd	**80,811**	**26,948**	**(2,819)**	**(26,912)**	**78,028**	**49%**	**38,234**	**721**	**38,955**
2012									
Swan Group Corporate Services Ltd	1,481	248	-	-	1,729	50%	864	-	864
Swan International Ltd	46,841	(492)	10,603	23,859	80,811	49%	33,898	721	34,619

10. INVESTMENTS IN FINANCIAL ASSETS

(a)

	THE GROUP			
	2013			2012
	Held-to-maturity Rs'000	Available-for-sale Rs'000	Total Rs'000	Total Rs'000
Local Securities				
At January 1,	7,262,141	6,043,741	13,305,882	11,380,545
Effect of amalgamation			-	1,335,291
Additions	2,503,999	269,909	2,773,908	3,445,853
Additions through business combination	-	-	-	1,288
Increase in fair value	-	1,457,264	1,457,264	(287,151)
Disposals	-	(114,990)	(114,990)	(88,138)
Matured	(1,858,674)	-	(1,858,674)	(2,508,990)
Accrued interests	30,959	-	30,959	26,984
At December 31,	7,938,425	7,655,924	15,594,349	13,305,682
	Held-to-maturity Rs'000	Available-for-sale Rs'000	Total Rs'000	Total Rs'000
Foreign Securities				
At January 1,	-	4,649,060	4,649,060	3,547,983
Effect of amalgamation	-	-	-	385,375
Additions	-	485,255	485,255	429,348
Increase in fair value	-	1,004,171	1,004,171	593,575
Disposals	-	(523,936)	(523,936)	(307,221)
At December 31,	-	5,614,550	5,614,550	4,649,060
Total	7,938,425	13,270,474	21,208,899	17,954,742

Analysed as follows:	2013 Rs'000	2012 Rs'000
Non-current	19,805,540	15,873,374
Current	1,403,359	2,081,368
	21,208,899	17,954,742

(i)

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
At December 31, 2013				
Available-for-sale	12,594,405	54,809	621,260	13,270,474
At December 31, 2012				
Available-for-sale	9,923,668	54,130	715,003	10,692,801

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b)

	THE COMPANY			
			2013	2012
	Held-to-maturity Rs'000	Available-for-sale Rs'000	Total Rs'000	Total Rs'000
Local Securities				
At January 1,	7,261,944	6,042,538	13,304,482	11,380,545
Effect of amalgamation	-	-	-	1,335,291
Additions	2,503,996	253,502	2,757,498	3,442,352
Increase in fair value	-	1,456,864	1,456,864	(287,220)
Disposals	-	(100,521)	(100,521)	(84,483)
Matured	(1,858,674)	-	(1,858,674)	(2,508,990)
Accrued interests	30,959	-	30,959	26,987
At December 31,	7,938,225	7,652,383	15,590,608	13,304,482
	Held-to-maturity Rs'000	Available-for-sale Rs'000	Total Rs'000	Total Rs'000
Foreign Securities				
At January 1,	-	4,649,057	4,649,057	3,547,983
Effect of amalgamation	-	-	-	385,375
Additions	-	485,255	485,255	429,348
Increase in fair value	-	1,004,171	1,004,171	593,572
Disposals	-	(523,936)	(523,936)	(307,221)
At December 31,	-	5,614,547	5,614,547	4,649,057
Total	7,938,225	13,266,930	21,205,155	17,953,539

Analysed as follows:	2013 Rs'000	2012 Rs'000
Non-current	19,801,796	15,872,171
Current	1,403,359	2,081,368
	21,205,155	17,953,539

(i)

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
At December 31, 2013				
Available-for-sale	12,590,859	54,809	621,262	13,266,930
At December 31, 2012				
Available-for-sale	9,922,514	54,130	714,951	10,691,595

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(c) Held-to-maturity investments comprise of Mauritius Government Securities, Listed and unquoted Debenture Stocks and Treasury Bills with interest rates varying from 7.00% to 13.25% (2012: 7.00% to 13.25%).

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

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

(f) None of the financial assets are either past due or impaired.

(g) The maturity of financial assets are disclosed in note 3.2.3.

11. LOANS AND RECEIVABLES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Loans on policies	91,325	131,873	91,325	131,873
Loans on residential properties	2,746,066	2,534,871	2,746,066	2,534,871
Loans on business properties	2,043,326	1,097,291	2,043,326	1,097,291
Cumulative accrued interests	122,797	111,376	122,797	111,376
Less impairment provision (see note (a) below)	(42,184)	(28,556)	(42,184)	(28,556)
	4,961,330	3,846,855	4,961,330	3,846,855
Loans to related corporations	-	-	13,440	20,926
	4,961,330	3,846,855	4,974,770	3,867,781
Analysed as follows:-				
Non-current	4,578,161	3,497,483	4,591,601	3,528,127
Current	383,169	349,372	383,169	339,654
	4,961,330	3,846,855	4,974,770	3,867,781

(a) Movements on the provisions for impairments of loans and receivables are as follows:

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs'000	Rs'000
At January 1,	28,556	20,000
Effect of amalgamation	-	9,736
Transfer	2,928	-
Charge / (release) for the year	10,700	(1,180)
At December 31,	42,184	28,556

(b) The rate of interest on loans vary from 6.0 % to 14.0% (2012: 6.0% to 12.0%).

(c) There is no concentration of credit risk with respect to loans and receivables since balances are widely dispersed.

(d) Loans and receivables are secured by guarantees. Impairment provision has been booked where recovery was estimated as doubtful.

(e) The ageing of loans and receivables is disclosed in note 3.2.2.

(f) The carrying amounts of loan and receivables approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
• Receivables arising from insurance and reinsurance contracts:				
- Due from contract holders - Individuals	73,077	48,623	73,077	48,623
- Schemes	88,675	45,723	88,675	45,723
• Claims recoverable from Reinsurers	2,340	23,445	2,340	23,445
• Interest and other receivables	157,863	157,707	123,583	97,421
• Receivables from related parties:				
- Holding Company	1,775	17,172	1,775	17,172
- Subsidiary Companies	-	-	59,844	38,963
	323,730	292,670	349,294	271,347

(a) The ageing of trade and other receivables is disclosed in note 3.2.2.

(b) The other classes within trade and other receivables do not include impaired assets.

(c) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

(d) Trade and other receivables are neither past due nor impaired and the Group does not hold any collateral security for trade and other receivables.

(e) The carrying amounts of trade and other receivables approximate their fair values.

13. SHORT TERM DEPOSITS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Short term deposits (note 26(b))	1,438,166	1,648,324	1,438,166	1,648,324

(a) Short term deposits comprise of foreign deposits, moneys-at-call and savings accounts. The rates of interest vary between 3.0% to 5.0%. (2012: 3.0% to 5.0%).

14. SHARE CAPITAL

	THE GROUP & THE COMPANY	
	2013	2012
	Rs'000	Rs'000
At January 1,	26,322	25,000
Issue of shares	-	1,322
At December 31,	26,322	26,322

The total authorised number of ordinary share is 2,632,210 shares (2012: 2,632,210 shares) with a par value of Rs.10 per share (2012: Rs.10 per share). All issued shares are fully paid.

15. NON-CONTROLLING INTEREST

	THE GROUP	
	2013	2012
	Rs'000	Rs'000
At January 1,	125,148	200
Share of surplus (note 8(e))	17,740	7,223
Share of reserve (note 8(f))	(95)	-
Non-controlling interest arising on business acquisition	-	117,376
Transfer from Life Assurance Fund (note 16)	-	6,949
Dividend paid	(8,000)	(6,600)
At December 31,	134,793	125,148

16. LIFE ASSURANCE FUND

(a) THE GROUP

	2013					2012				
	Surplus	Fair value reserve	Other reserves	Actuarial gains/(losses)	Total	Surplus	Fair value reserve	Other reserves	Actuarial gains/(losses)	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,										
- As previously stated	20,577,414	3,718,124	(10,744)	-	24,284,794	17,284,237	3,305,065	(2,537)	-	20,586,765
- Effect of adopting IAS 19 (Revised)	6,999	-	-	(26,915)	(19,916)	-	-	-	(29,946)	(29,946)
- As restated	20,584,413	3,718,124	(10,744)	(26,915)	24,264,878	17,284,237	3,305,065	(2,537)	(29,946)	20,556,819
Effect of amalgamation	-	-	-	-	-	1,688,760	160,343	-	-	1,849,103
Transfer to fair value reserve	(27,102)	27,102	-	-	-	-	-	-	-	-
Surplus on Life Assurance Fund for the year (page 59)	1,836,555	-	-	-	1,836,555	1,618,365	-	-	-	1,618,365
Change in value of available-for-sale financial assets	-	2,461,355	-	-	2,461,355	-	306,424	-	-	306,424
Release from fair value reserve	-	(102,746)	-	-	(102,746)	-	(53,708)	-	-	(53,708)
Share of reserves of associated company	-	-	(1,381)	-	(1,381)	-	-	(8,207)	-	(8,207)
Transfer to Non-controlling interests (note 15)	-	-	-	-	-	(6,949)	-	-	-	(6,949)
Remeasurements of defined benefit obligations	-	-	-	(33,052)	(33,052)	-	-	-	3,031	3,031
At December 31,	22,393,866	6,103,835	(12,125)	(59,967)	28,425,609	20,584,413	3,718,124	(10,744)	(26,915)	24,264,878

(b) THE COMPANY

	2013					2012				
	Non-Linked	Linked	Fair value reserve	Actuarial gains/(losses)	Total	Non-Linked	Linked	Fair value reserve	Actuarial gains/(losses)	Total
At January 1,	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- As previously stated	15,266,833	5,223,533	3,718,052	-	24,208,418	12,940,501	4,269,378	3,305,065	-	20,514,944
- Effect of adopting IAS 19 (Revised)	6,965	-	-	(26,040)	(19,075)	-	-	-	(28,952)	(28,952)
- As restated	15,273,798	5,223,533	3,718,052	(26,040)	24,189,343	12,940,501	4,269,378	3,305,065	(28,952)	20,485,992
Effect of amalgamation	-	-	-	-	-	1,688,760	-	160,343	-	1,849,103
Transfer to fair value reserve	(27,102)	-	27,102	-	-	-	-	-	-	-
Surplus on Life Assurance Fund for the year (page 59)	700,794	1,087,116	-	-	1,787,910	644,537	954,155	-	-	1,598,692
Change in value of available-for-sale financial assets	-	-	2,461,035	-	2,461,035	-	-	306,352	-	306,352
Release from fair value reserve	-	-	(102,746)	-	(102,746)	-	-	(53,708)	-	(53,708)
Remeasurements of defined benefit obligations	-	-	-	(32,354)	(32,354)	-	-	-	2,912	2,912
At December 31,	15,947,490	6,310,649	6,103,443	(58,394)	28,303,188	15,273,798	5,223,533	3,718,052	(26,040)	24,189,343

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

16. LIFE ASSURANCE FUND (CONT'D)

Fair value reserve

Fair value reserve comprises of the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in Life Assurance Fund until the investments are derecognised or impaired.

Other reserves

Other reserve is a translation reserve whereby differences obtained when translating the associate, Swan International Co. Limited and its investment, which have a functional currency different from that of the presentation currency of the Company, are accounted.

Actuarial gains / (losses)

The Actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

17. DEFERRED TAX (LIABILITIES) / ASSETS

Deferred taxes are calculated on all temporary differences under the liability method at 15% (2012: 15%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority. The following amounts are shown in the statement of financial position:

	THE GROUP	
	2013	2012
	Rs'000	Rs'000
		Restated
Deferred tax (liabilities) / assets	(69)	652

(b) The movement on the deferred tax account is as follows:

	THE GROUP	
	2013	2012
	Rs'000	Rs'000
		Restated
At 1 January		
- As previously stated	504	(6)
- Effect of adopting IAS 19 (revised 2011) (note 27)	148	175
- As restated	652	169
Acquisition through businesss combination	-	82
(Charged) / credited to Life Assurance Fund (note 20)	(875)	422
Credited to Actuarial gains/ (losses) reserves	154	(21)
At December 31,	(69)	652

17. DEFERRED TAX ASSETS / (LIABILITIES) (CONT'D)

(c) The movement on the deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

Deferred tax assets / (liabilities):	Accelerated capital allowances	Retirement benefit obligation	Total
	Rs'000	Rs'000	Rs'000
At 1 January			
- As previously stated	(156)	150	(6)
- Effect of adopting IAS 19 (revised 2011) (note 27)	-	175	175
- As restated	(156)	325	169
Acquisition through businesss combination	82	-	82
Credited to Life Assurance Fund (note 20)	327	95	422
Charged to actuarial gains / (losses) reserves	-	(21)	(21)
At December 31, 2012	253	399	652
Charged to Life Assurance Fund (note 20)	(316)	(559)	(875)
Credited to Actuarial gains / (losses) reserves	-	154	154
At December 31, 2013	(63)	(6)	(69)

18. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2013	2012	**2013**	2012
	Rs'000	Rs'000	**Rs'000**	Rs'000
		Restated		Restated
Amounts recognised in the statements of financial position:				
Defined pension benefits (note (a)(ii))	**132,414**	107,884	**132,451**	105,219
Analysed as follows:				
Non-current liabilities	**132,414**	107,884	**132,451**	105,219
Amount charged to Life Assurance Fund:				
- Defined pension benefits (note (a)(v) & 23)	**14,292**	30,989	**13,622**	30,352
Amount charged/(credited) to Actuarial gains/(losses) reserves:				
- Define pension benefits (note (a)(vi))	**33,382**	(3,052)	**32,354**	(2,912)

(a) Defined pension benefits

(i) The plan is a defined benefit arrangement, with benefits based on final salary. It provides for a pension at retirement and a benefit on death or disablement in service before retirement. The assets of the fund are held independently and administered by The Anglo-Mauritius Assurance Society Limited.

The most recent actuarial valuation of the present value of the defined benefits obligations were carried out at December 31, 2013. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
(ii) The amounts recognised in the statement of financial position are as follows:	Rs'000	Rs'000 Restated	Rs'000	Rs'000 Restated
Present value of funded obligations	136,486	111,958	132,451	105,219
Fair value of plan assets	(4,072)	(4,074)	-	-
Liability in the statements of financial position	132,414	107,884	132,451	105,219
The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:				
At 1 January				
- As previously stated	87,820	98,781	86,144	97,782
- Effect of adopting IAS 19 (revised 2011) (note 27)	20,064	30,121	19,075	28,952
- As restated	107,884	128,902	105,219	126,734
Amounts charged in the Life Assurance Fund	14,292	30,989	13,622	30,352
Amounts charged / (credited) in the Actuarial gains / (losses) reserves	33,382	(3,052)	32,354	(2,912)
Contribution paid	(23,144)	(48,955)	(18,744)	(48,955)
At December 31	132,414	107,884	132,451	105,219

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
(iii) The movement in the defined benefit obligation over the year is as follows:	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	111,958	132,776	105,219	126,734
Effect of amalgamation	-	1,928	-	1,928
Current service cost	3,972	4,828	3,595	4,447
Past service cost	1,575	9,361	1,575	9,361
Interest cost	8,868	12,474	8,452	11,863
Effect of curtailments / settlement	-	2,752	-	2,752
Actuarial (gains) / losses:				
- Experience losses / (gains) on the liabilities	3,876	(3,573)	3,733	(3,278)
- Changes in assumptions underlying the present value of the scheme	29,408	367	28,621	367
Benefits paid	(23,171)	(48,955)	(18,744)	(48,955)
At December 31,	136,486	111,958	132,451	105,219

	THE GROUP		THE COMPANY	
(iv) The movement in the fair value of plan assets	2013	2012	2013	2012
of the year is as follows:	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	4,074	3,873	-	-
Expected return on plan assets	332	386	-	-
Losses on pension scheme assets	(98)	(154)	-	-
Employer contributions	23,144	48,955	18,744	48,955
Scheme expenses	(170)	-	-	-
Cost of insuring risks benefits	(39)	(31)	-	-
Benefits paid	(23,171)	(48,955)	(18,744)	(48,955)
At December 31,	4,072	4,074	-	-

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	THE GROUP		THE COMPANY	
(v) Amounts recognised in the Life Assurance	**2013**	2012	**2013**	2012
Fund are as follows:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Current service cost	**3,972**	4,828	**3,595**	4,447
Past service cost	**1,575**	9,361	**1,575**	9,361
Net interest cost	**8,536**	12,088	**8,452**	11,863
Scheme expenses	**170**	-		
Cost of insuring risks benefits	**39**	31	**-**	-
Effect of curtailments / settlement	**-**	4,681	**-**	4,681
Total included in employee benefit expense (note 23)	**14,292**	30,989	**13,622**	30,352
Actual return on plan assets	**234**	231	**-**	-

	THE GROUP		THE COMPANY	
(vi) Amounts recognised in the actuarial gains/	**2013**	2012	**2013**	2012
(losses) reserve are as follows:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Experience losses/(gains) on the liabilities	**3,876**	(3,573)	**3,733**	(3,278)
Changes in assumptions underlying the present value of the scheme	**29,408**	367	**28,621**	366
Gains on pension scheme assets	**98**	154	**-**	-
	33,382	(3,052)	**32,354**	(2,912)

(vii) The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	THE GROUP	
	2013	2012
	Rs'000	Rs'000
Local Equities	**1,528**	1,528
Overseas Equities	**916**	917
Fixed Interest	**1,425**	1,426
Properties	**203**	203
Total Market value of assets	**4,072**	4,074

The assets of the Group plan are invested in the Deposit Administration Policy underwritten by The Anglo-Mauritius Assurance Society Limited. The Deposit Administration Policy is a pooled insurance product for Group Pension Schemes. It is a long-term investment Policy which aims to provide a smooth progression of return from one year to the next without the regular fluctuations associated with asset-linked investments such as Equity funds. Moreover, the Deposit Admnistration Policy offers a minimum guaranteed return of 4.0% pa.

The assets backing the Deposit Administration Policy form part of the Life Fund of Anglo-Mauritius so that the breakdown of the assets above corresponds to a notional allocation of the underlying investments based on the long term strategic asset allocation of the Policy.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(viii) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	THE GROUP AND THE COMPANY	
	2013	2012
	%	%
Discount rate	7.0	8.5
Expected return on plan assets	7.0	8.5
Future long-term salary increases	6.5	6.5
Future guarantee pension increase	-	-
NPS ceiling increases	6.5	6.5
Post retirement annuity rates	AMAS rates	AMAS rates
	+10%	+10%

(ix) Sensitivity analysis on defined benefit obligation	THE GROUP		THE COMPANY	
at end of reporting period:	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Increase due to 1% increase in discount rate	13,231	n/a	12,655	n/a
Decrease due to 1% increase in future long-term salary assumption	13,943	n/a	13,308	n/a

The sensitivy analyses above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(x) The defined benefit pension plan exposes the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(xi) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xii) The Group and the Company expect to pay Rs 600,000 and nil respectively in contributions to its post-employment benefit plans for the year ending December 31, 2014.

(xiii) The weighted average duration of the defined benefit obligation is 11 - 15 years for the Group and 10 years for the Company at the end of the reporting period (2012 - Group: 10-15 years & Company: 10 years).

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
• Trade payables:				
- Insurance contracts	57,383	24,378	57,383	24,378
• Other payables and accruals	305,431	356,663	280,079	331,084
• Amounts due to related parties:				
- Holding company	14,725	9,233	14,725	9,233
- Subsidiary companies	-	-	17,904	17,563
	377,539	390,274	370,091	382,258

(a) Currency analysis of trade and other payables is disclosed in note 3.2.1.

(b) The carrying amounts of trade and other payables approximate their fair values.

20. TAXATION

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Income tax charge		Restated		
Current tax on the adjusted profit for the year at 15% (2012: 15%)	18,035	12,853	-	-
Alternative minimum tax (AMT)	11,002	9,895	11,002	9,895
Reversal of provision of previous years	(3,857)	-	(3,857)	-
Movement in deferred tax	875	(422)	-	-
Tax charge for the year	26,055	22,326	7,145	9,895

21. INVESTMENT INCOME

	THE GROUP		THE COMPANY			
					2013	2012
	2013	2012	Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	996,697	874,195	703,676	290,412	994,088	838,362
Dividend income	183,426	158,352	195,830	29,030	224,860	232,023
	1,180,123	1,032,547	899,506	319,442	1,218,948	1,070,385

22. OTHER INCOME

	THE GROUP		THE COMPANY			
					2013	2012
	2013	2012	Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Profit on disposal of financial assets	132,151	68,198	92,351	39,590	131,941	68,226
Profit on disposal of subsidiary	-	-	-	-	-	468,429
Miscellaneous income	157	28	-	-	-	-
Loss on disposal of investment property	-	(90)	-	-	-	(90)
Profit on disposal of property and equipment	295	375	295	-	295	375
	132,603	68,511	92,646	39,590	132,236	536,940

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

23. MARKETING AND ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Marketing and administrative expenses include:				
- Contribution in respect of Corporate Social Responsibility	3,617	2,815	1,805	1,715
- Internal auditors' fees	184	736	184	736
- Staff costs (see note (a) below)	174,312	154,508	148,038	137,019
(a) Analysis of staff costs:				
Salaries and wages	113,054	86,021	92,338	72,389
Retirement benefit obligations (restated):				
- defined benefit plan (note 18(a)(v))	14,292	30,989	13,622	30,352
- defined contribution plan	2,092	1,012	1,315	618
Other costs	44,874	36,486	40,763	33,660
	174,312	154,508	148,038	137,019

24. DIVIDEND PAYABLE

	THE COMPANY	
	2013	2012
	Rs'000	Rs'000
Declared and payable		
Final dividend of Rs 41.80 per ordinary share (2012: Rs 30.40).	110,026	80,019

25. EARNINGS PER SHARE

	THE GROUP AND THE COMPANY	
	2013	2012
Earnings attributable to shareholders is based on:	Rs'000	Rs'000
- Amount transferred from Life Assurance Fund	43,992	43,992
- Interest allocated	6,921	12,377
- Amount transferred to Proprietors' Fund	39,000	33,900
	89,913	90,269
Number of shares/weighted average number of shares in issue	2,632,210	2,566,466
Earnings per share	34.16	35.17

The above amount of Rs. 43.9m (2012: Rs. 43.9m) represents one-third of the total amount transferred from the Life Assurance Fund to the Proprietors' Fund following the actuarial valuation at December 31, 2011.

26. NOTES TO THE CASH FLOW STATEMENTS

	Notes	THE GROUP 2013	THE GROUP 2012	THE COMPANY 2013	THE COMPANY 2012
		Rs'000	Rs'000 Restated	**Rs'000**	Rs'000 Restated
(a) Cash generated from operations					
Surplus on Life Assurance Fund		**1,919,350**	1,681,814	**1,834,055**	2,110,916
Adjustments for:					
Depreciation on property and equipment	5	**14,166**	13,606	**13,185**	11,264
Depreciation on investment properties	6	**11,457**	10,418	**11,457**	10,418
Amortisation of intangible assets	7	**12,317**	7,661	**6,444**	7,282
Profit on sale of property and equipment	22	**(295)**	(375)	**(295)**	(375)
Loss on sale of investment properties	22	**-**	90	**-**	90
Impairment of loan to associate/loan and receivables	9	**18,103**	-	**18,103**	-
Impairment charged/(released) for the year	11	**10,700**	(1,180)	**10,700**	(1,180)
Interest allocated to proprietors' fund		**6,921**	12,377	**6,921**	12,377
Investment income	21	**(1,180,123)**	(1,032,547)	**(1,218,948)**	(1,070,385)
Net loss/(gain) on exchange		**40,551**	(43,178)	**40,551**	(43,178)
Profit on sale of financial assets	22	**(132,151)**	(68,198)	**(131,941)**	(68,226)
Profit on sale of subsidiary	22	**-**	-	**-**	(468,429)
Change in accrued interest		**(42,380)**	(28,519)	**(42,380)**	(28,519)
Changes in working capital (excluding the effects of acquisition and disposal):					
- Trade and other receivables		**(32,303)**	(25,831)	**(66,391)**	(2,926)
- Trade and other payables		**(24,749)**	133,421	**(22,784)**	152,789
- Retirement benefit obligations	18	**(8,852)**	(19,894)	**(5,122)**	(20,531)
- Outstanding claims		**14,121**	(290)	**14,121**	(290)
Share of results of associated companies		**(13,278)**	117	**-**	-
Cash generated from operations		**613,555**	639,492	**467,676**	601,097

	Notes	THE GROUP 2013	THE GROUP 2012	THE COMPANY 2013	THE COMPANY 2012
(b) Cash and cash equivalents		**Rs'000**	Rs'000	**Rs'000**	Rs'000
Short term deposits	13	**1,438,166**	1,648,324	**1,438,166**	1,648,324
Cash and cash equivalents		**411,835**	472,008	**247,216**	400,226
		1,850,001	2,120,332	**1,685,382**	2,048,550

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

27. EFFECTS OF CHANGES IN ACCOUNTING POLICIES

(a) Adoption of IAS 19 Employee Benefits (Revised 2011)

In the current year, The Group has adopted IAS 19 Employee Benefits (Revised 2011). The Group has applied IAS 19 (Revised 2011) retrospectively in accordance with the transitional provisions as set out in IAS 19 (Revised 2011), paragraph 173. These transitional provisions do not have an impact on future periods. The opening statement of financial position of the earliest comparative period presented (January 1, 2012) has been restated.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs.

All actuarial gains and losses are recognised immediately through the life assurance fund in order for the net pension asset or liability recognised in the statements of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net-interest' amount under IAS 19 (Revised 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. IAS 19 (Revised 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Impact of application of IAS 19 (Revised 2011)

These 2013 financial statements are the first financial statements in which the Group has adopted IAS 19 (Revised 2011). IAS 19 (Revised 2011) has been adopted retrospectively in accordance with IAS 8. Consequently, the Group has adjusted opening life assurance fund as of January 1, 2012 and the figures for 2012 have been restated as if IAS 19 (Revised 2011) had always been applied.

The effect on the statement of financial position are as follows:

THE GROUP	Retirement benefit obligation	Deferred tax liabilities/ (assets)	Life Assurance Fund
	Rs'000	Rs'000	Rs'000
Balance at January 1, 2012			
- As previously stated	98,781	6	20,586,765
- Effect of adopting IAS 19 (Revised 2011)	30,121	(175)	(29,946)
- As restated	128,902	(169)	20,556,819
Balance at December 31, 2012			
- As previously stated	87,820	(504)	24,284,794
- Effect of adopting IAS 19 (Revised) on 2011 figures	30,121	(175)	(29,946)
- Effect of adopting IAS 19 (Revised) on 2012 figures	(10,057)	27	10,030
- As restated	107,884	(652)	24,264,878

27. EFFECTS OF CHANGES IN ACCOUNTING POLICIES

(a) Adoption of IAS 19 Employee Benefits (Revised 2011) (cont'd)

Impact of application of IAS 19 (Revised 2011) (cont'd)

THE COMPANY	Retirement benefit obligation	Life Assurance Fund
	Rs'000	Rs'000
Balance at January 1, 2012		
- As previously stated	97,782	20,514,944
- Effect of adopting IAS 19 (Revised 2011)	28,952	(28,952)
- As restated	126,734	20,485,992
Balance at December 31, 2012		
- As previously stated	86,144	24,208,418
- Effect of adopting IAS 19 (Revised) on 2011 figures	28,952	(28,952)
- Effect of adopting IAS 19 (Revised) on 2012 figures	(9,877)	9,877
- As restated	105,219	24,189,343

	THE GROUP	THE COMPANY
The effect on Life Assurance Fund for the	2012	2012
year was as follows:	Rs.	Rs.
Increase of employee benefit expenses	7,005	6,965
Increase of income tax expense	(6)	-
Increase of surplus for the year	6,999	6,965
Remeasurement of retirement benefit obligations	3,052	2,912
Deferred tax on remeasurement of retirement benefit obligations	(21)	-
Increase in other comprehensive income for the year	3,031	2,912
Increase of Life Assurance Fund for the year	10,030	9,877

There is no effect on the earnings per share of the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

28. FINANCIAL COMMITMENTS

	THE GROUP AND THE COMPANY	
	2013	2012
Outstanding commitments for the following:-	Rs'000	Rs'000
Loans to be granted	116,900	454,400
Investments in freehold properties	41,500	70,500
Operating lease agreement	-	17,293
	158,400	542,193

29. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Directors regard Swan Insurance Company Limited which owns 76.59% (2012: 76.59%) of the Company's share capital, as the Holding Company. The remaining shares are widely held. The Ultimate Holding Company is Intendance Holding Limited which owns 73.52% (2012: 73.52%) of the Holding Company with the remaining shares also widely held. The Companies are incorporated in Mauritius and their registered offices are situated at Swan Group Centre, Intendance Street, Port Louis.

30. SEGMENT INFORMATION

The Company is in itself an operating segment and strategic business unit of the Swan Group. It carries exclusively long term insurance business, which is reported to the Chief Executive Officer.

31. RELATED PARTY TRANSACTIONS

(a) THE GROUP

	Sales of services	Investment income	Financial assets	Loans/ Debentures	Amount receivable from related parties	Amount payable to related parties
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2013						
Holding company	-	-	-	-	1,775	14,725
Associated companies	-	-	39,892	13,440	1,640	-
Other related companies	-	-	-	-	14,653	-
Shareholders with significant influence	-	19,424	557,302	300,000	1,942	-
Key management personnel	1,469	-	-	5,411	370	-
	1,469	19,424	597,194	318,851	20,380	14,725

	Sales of services	Investment income	Financial assets	Loans/ Debentures	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2012						
Holding company	-	-	-	-	17,172	9,233
Associated companies	-	-	35,483	20,926	1,314	-
Other related companies	-	-	-	-	5,344	-
Shareholders with significant influence	-	13,516	446,923	-	-	-
Key management personnel	387	-	-	5,234	-	12
	387	13,516	482,406	26,160	23,830	9,245

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

31. RELATED PARTY TRANSACTIONS (CONT'D)

(b) THE COMPANY

	Sales of services	Investment income	Management fees paid	Financial assets	Loans/ Debentures	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2013							
Holding company	-	-	-	-	-	1,775	14,725
Subsidiary companies	-	41,495	55,956	540,012	-	59,844	17,904
Associated companies	-	-	-	614	13,440	1,640	-
Other related companies	-	-	-	-	-	14,653	-
Shareholders with significant influence	-	19,424	-	557,302	300,000	1,942	-
Key management personnel	1,469	-	-	-	5,411	370	-
	1,469	60,919	55,956	1,097,928	318,851	80,224	32,629

	Sales of services	Investment income	Management fees paid	Financial assets	Loans/ Debentures	Amount receivable from related parties	Amount payable to related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2012							
Holding company	-	-	-	-	-	17,172	9,233
Subsidiary companies	-	38,175	35,270	540,012	-	38,963	17,563
Associated companies	-	-	-	614	20,926	1,314	-
Other related companies	-	-	-	-	-	5,344	-
Shareholders with significant influence	-	13,516	-	446,923	-	-	-
Key management personnel	387	-	-	-	5,234	-	12
	387	51,691	35,270	987,549	26,160	62,793	26,808

The related party transactions are within the normal course of the business at rate varying between 6% and 14%, secured by life policies of the party.

31. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2013	2012	**2013**	2012
	Rs'000	Rs'000	**Rs'000**	Rs'000
Salaries and short-term employee benefits	**30,426**	27,274	**20,786**	19,064
Post-employment benefits	**1,240**	1,183	**716**	720
	31,666	28,457	**21,502**	19,784

(d) The terms and conditions in respect of receivables and payables have been disclosed under respective notes. For the year ended 2013, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2012: Nil).

32. TERMINATION BENEFITS

	THE GROUP & THE COMPANY	
	2013	2012
	Rs'000	Rs'000
Termination benefits paid	**-**	15,991

In 2012, the Group had implemented a Voluntary Retirement Scheme ("VRS") whereby termination benefits were offered to employees accepting to terminate their employment before normal retirement date. Termination benefits were made up of a gratuity of one month salary per year of service amounting to Rs 15.9m.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

33. THREE YEAR FINANCIAL REVIEW

	THE GROUP			THE COMPANY		
	2013	2012	2011	2013	2012	2011
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Life Assurance Fund		Restated	Restated		Restated	Restated
Gross premiums	2,541,153	2,286,160	2,004,450	2,541,153	2,286,160	2,004,450
Net premiums	2,363,115	2,163,414	1,922,879	2,363,115	2,163,414	1,922,879
Consideration for annuities	384,483	399,233	211,670	384,483	399,233	211,670
Investment and other income	1,655,690	1,363,001	1,321,671	1,572,842	1,781,416	1,301,294
Share of profit/(loss) of associates	13,278	(117)	193	-	-	-
	4,416,566	3,925,531	3,456,413	4,320,440	4,344,063	3,435,843
Surplus for the year before taxation	1,919,350	1,681,814	917,369	1,834,055	2,110,916	900,516
Taxation	(26,055)	(22,326)	(13,844)	(7,145)	(9,895)	(5,948)
Surplus for the year	1,893,295	1,659,488	903,525	1,826,910	2,101,021	894,568
Surplus allocated as follows:						
- Life Assurance Fund	1,836,555	1,618,365	739,043	1,787,910	1,598,692	730,092
- Proprietors' fund	39,000	33,900	164,476	39,000	33,900	164,476
- Other reserves	-	-	-	-	468,429	-
- Non-controlling interests	17,740	7,223	6	-	-	-
	1,893,295	1,659,488	903,525	1,826,910	2,101,021	894,568
Dividends	110,026	80,019	62,750	110,026	80,019	62,750
Earnings attributable to shareholders	89,913	90,269	85,754	11,457	90,269	85,754
Statement of Financial Position						
Non-current assets	25,386,161	20,335,105	16,771,982	25,721,070	20,688,566	16,732,802
Current assets	3,960,259	4,843,742	4,339,569	3,821,204	4,740,919	4,303,594
	29,346,420	25,178,847	21,111,551	29,542,274	25,429,485	21,036,396
Share capital	26,322	26,322	25,000	26,322	26,322	25,000
Proprietors' fund	21,397	85,502	119,244	21,397	85,502	119,244
Reserves	61,214	61,214	-	529,643	529,643	-
Non-controlling interests	134,793	125,148	200	-	-	-
Life Assurance Fund	28,425,609	24,264,878	20,556,819	28,303,188	24,189,343	20,485,992
Non-current liabilities	173,926	135,206	147,449	173,894	132,541	145,281
Current liabilities	503,159	480,577	262,839	487,830	466,134	260,879
	29,346,420	25,178,847	21,111,551	29,542,274	25,429,485	21,036,396

OTHER STATUTORY DISCLOSURES

FOR THE YEAR ENDED DECEMBER 31, 2013

(PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001)

DIRECTORS OF THE COMPANY

Mr. M. E. Cyril MAYER - Chairperson

Mr. M. D. Pierre DINAN, G.O.S.K.

Mr. M. M. Hector ESPITALIER-NOËL

Mr. M. H. Philippe ESPITALIER-NOËL

Mr. M. D. Henri HAREL

Mr. J. M. René LECLÉZIO

Mr. M. F. I. Jean Hugues MAIGROT, G.O.S.K. (Up to January 1, 2013)

Mr. Peroomal Gopallen MOOROOGEN

Mr. J. M. Louis RIVALLAND - Group Chief Executive

Mr. Victor C. SEEYAVE

DIRECTORS OF THE SUBSIDIARY COMPANIES

Manufacturers' Distributing Station Limited

Mr. M. E. Cyril MAYER

Mr. J. M. Louis RIVALLAND

Mr. Gerald E. R. J. LINCOLN

Pension Consultants and Administrators Ltd.

Mr. M. E. Cyril MAYER

Mr. J. M. Louis RIVALLAND

Mr. Peroomal Gopallen MOOROOGEN

Anglo-Mauritius Investment Managers Limited

Mr. M. E. Cyril MAYER

Mr. J. M. Louis RIVALLAND

Mr. Peroomal Gopallen MOOROOGEN

Swan Group Foundation

Mr. M. E. Cyril MAYER

Mr. J. M. Louis RIVALLAND

Anglo-Mauritius Financial Solutions Limited

Mr. J. M. Louis RIVALLAND

Mr. D. P. A. Maxime REY

Mr. Ziyad Abdool Raouf BUNDHUN

Anglo-Mauritius Stockbrokers Limited

Mr. D. P. A. Maxime REY

Mr. M. H. Philippe ESPITALIER-NOËL (Up to May 27, 2013)

Mr. Damien MAMET (Up to May 29, 2013)

Mr. Jaiyansing SOOBAH (As from May 29, 2013)

OTHER STATUTORY DISCLOSURES

FOR THE YEAR ENDED DECEMBER 31, 2013 (PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001)

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received, or due and receivable:

- Directors of The Anglo-Mauritius Assurance Society Limited

	From the Company		From Subsidiaries	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Executive Directors				
- Full-time	4,854	4,862	5,242	3,738
Non-executive Directors	783	1,002	24	41
	5,637	5,864	5,266	3,779

	From the Subsidiaries	
	2013	2012
	Rs'000	Rs'000
- Directors of subsidiary companies who are not directors of the Company		
- Non-executive Director	-	10

DONATIONS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Political donations	-	150	-	150
Charitable donations	50	165	50	165
Corporate social responsibility	3,617	2,815	1,805	1,715

CONTRACT OF SIGNIFICANCE

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

AUDITORS' FEES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Audit fees paid to:				
- BDO & Co	1,829	1,769	1,509	1,506
- Other firms	83	82	-	-
	1,912	1,851	1,509	1,506
Fees paid for other services to BDO & Co:				
- Review of statutory return	111	105	111	105
- Amalgamation fees	-	325	-	325
	111	430	111	430

AUDITORS

BDO & Co.

BANKERS

AfrAsia Bank Ltd

Bank of Baroda

Bank One

Banque des Mascareignes

Banyan Tree Bank Ltd

Barclays Bank PLC

Bramer Banking Co Ltd

Habib Bank Ltd

Mauritius Post and Cooperative Bank

SBI (Mauritius) Ltd

Standard Bank Ltd

State Bank of Mauritius Ltd

The HongKong and Shanghai Banking Corporation Ltd

The Mauritius Commercial Bank Ltd

CONSULTING ACTUARIES

Actuarial and Insurance Solutions, Deloitte & Touche

LEGAL ADVISERS

De Comarmond-Koenig

Me. Maxime Sauzier

MAIN REINSURERS

Swiss Re Life & Health Africa Limited

Munich Mauritius Reinsurance Co. Ltd

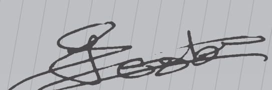
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders (the "Meeting") of **The Anglo-Mauritius Assurance Society Limited** (the "Company") will be held on 24 June 2014 at 10.00 hours on the 6th Floor of the Swan Group Centre, Intendance Street, Port Louis to transact the following business in the manner required for the passing of ORDINARY RESOLUTIONS:

AGENDA

1. To consider the 2013 Annual Report of the Company.
2. To receive the report of Messrs. BDO & Co, the external auditors of the Company.
3. To consider and adopt the audited financial statements of the Company and the Group for the year ended 31st December 2013.
4. To re-elect as Director of the Company to hold office until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001, Mr. Pierre Dinan, G.O.S.K, who offers himself for re-election.
5. To re-appoint Messrs. BDO & Co as auditors of the Company in compliance with Section 40(3) of the Insurance Act 2005 for the ensuing year and to authorise the Board of Directors to fix their remuneration.
6. To ratify the remuneration paid to the auditors for the financial year ended 31st December 2013

BY ORDER OF THE BOARD



Jaiyansing Soobah

for Swan Group Corporate Services Limited

Company Secretary

5 May 2014

NOTES:

1. *A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *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(24) hours before the start of the meeting and in default, the instrument of proxy shall not be treated as valid.*
3. *A proxy form is included in this Annual Report and is also available at the registered office of the Company.*
4. *For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting shall be those shareholders whose names are registered in the share register of the Company as at 27 May 2014.*

THE ANGLO-MAURITIUS ASSURANCE SOCIETY LIMITED
PROXY FORM

I/We

of

being a member/members of **The Anglo-Mauritius Assurance Society Limited** ("the Company"), do hereby appoint:

of

or failing him/her,

of

or failing him/her the Chairman of the Meeting, as my/our proxy to represent me/us and vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at 6th Floor Swan Group Centre, 10 Intendance Street, Port Louis on 24 June 2014 at 10.00 hours and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (please vote with a tick):

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. To consider the 2013 Annual Report of the Company.			
2. To receive the report of Messrs. BDO & Co, the auditors of the Company.			
3. To consider and adopt the audited financial statements of the Company and the Group for the year ended 31st December 2013.			
4. To re-elect as Director of the Company to hold office until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mr. Pierre Dinan, GOSK, who offers himself for re-election.			
5. To re-appoint Messrs. BDO & Co as auditors of the Company for the ensuing year in compliance with Section 40 (3) of the Insurance Act 2005 and to authorise the Board of Directors to fix their remuneration.			
6. To ratify the remuneration paid to the auditors for the financial year ended 31st December 2013.			

Signed this day of 2014.

Signature(s)

Notes:

1. *A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *If the instrument appointing a proxy or any general power of attorney is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.*
3. *To be valid, the instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Registered Office of the Company, Swan Group Centre, 10 Intendance Street, Port-Louis 24 hours before the time fixed for holding the Annual Meeting.*