MAURITIAN EAGLE
An IBL Group company

Annual Report 2014

Our Vision

To be the preferred insurance specialist that goes beyond boundaries to create value.

Our Mission

We passionately provide comprehensive, customised and state of the art insurance solutions through innovation and operational excellence.

Company Details

Head office
1st Floor, IBL House, Caudan,
Port Louis, Mauritius.
Tel: (230) 203 2200 - Fax: (230) 203 2299
Email: caudan@mauritianeagle.com
Website: www.mauritianeagle.com

Auditors
Deloitte, Ebène, Mauritius

Consulting actuaries
Roberto Malattia of Towers Watson Singapore

Bankers
The Mauritius Commercial Bank Limited
The HongKong and Shanghai Banking Corporation
Barclays Bank Mauritius Limited
State Bank of Mauritius
Afrasia Bank Limited

Registrar and transfer office
MCB Registry and Securities Ltd,
Sir William Newton Street, Port Louis, Mauritius.

Registered office
5th floor, IBL House, Caudan, Port Louis, Mauritius.

Secretary
IBL Corporate Services Ltd

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MAURITIAN EAGLE
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DIRECTORS' PROFILES

Nicolas MAIGROT
Non-Executive Chairman

- Mr Maigrot was appointed as Non-Executive Chairman of Mauritian Eagle Insurance Company Limited on 31st January 2011. Mr Maigrot holds a BSc in Management Sciences from the London School of Economics. Mr Maigrot is the Chief Executive and director of Ireland Blyth Limited.

Derek WONG WAN PO
BSc, FCCA
Managing Director

- Mr Wong was appointed Managing Director of Mauritian Eagle Insurance Company Limited on 1st of July 2014, following the resignation of Mr André Chung Shui. He holds a BSc in Computer Science and is a Fellow of the Association of Chartered Certified Accountants and an Associate member of the Association of Corporate Treasurers. He joined the Corporate Office of IBL in 1998 as Head Office Accountant and has been the Group Finance Manager from 2007 to 2014.

Alain MALLIATE
FCII, ACIS
Executive Director

- Mr Malliaté was appointed as Executive Director on 30th March 2004. He has been with the Company since August 1985 and is in charge of the Fire and Accident Department of MEI, and overviews the Claims Department.

Robert IP MIN WAN
FCA
Independent Non-Executive Director

- Mr Ip Min Wan was appointed as Independent Non-Executive Director on 13th June 2008. Robert is a Fellow of the Institute of Chartered Accountants in England & Wales. He was a Senior Manager of Deloitte in London where he has accumulated more than 8 years in financial services audit and assurance experience. He is also an independent director of Lottotech Ltd.

J.Gilbert ITHIER
LLB (Hons), Senior Counsel
Independent Non-Executive Director

- Me Ithier was appointed as Independent Non-Executive Director on 15th November 2005. He has been practising as barrister before all the courts of Mauritius since 1979, specialising mostly in civil, commercial, company, insurance and property matters. He was appointed Senior Counsel on 15th June 2010.

Subhas Chandra LALLAH
Senior Counsel
Independent Non-Executive Director

- Me Lallah was appointed as Independent Non-Executive Director on 29th March 2005. Former Chairman of the National Transport Corporation and member of the Board of Governors of the Mauritius Broadcasting Corporation, he is the legal advisor of a number of companies and corporations. He is a member of the Honourable Society of Lincoln's Inn and was called to the Bar in 1971.

Gaetan LAN HUN KUEN
FCA
Non-Executive Director

- Mr Lan was appointed as Non-Executive Director on 1st January 2005 and before that he was the Chief Executive Officer of Mauritian Eagle Insurance Company Limited. Mr Lan is the Chairman of the Stock Exchange of Mauritius Ltd, Director of Central Depository & Settlement Co Ltd and Ireland Blyth Limited. He has been with the IBL Group since 1977 and is currently the Chief Finance Officer of the Group.

Pieter BEZUIDENHOUT
BSc, CA, CISA
Non-Executive Director

- Mr Bezuidenhout has been appointed as Non-Executive Director on 21st August 2014 in replacement of Mr Edwyn O'Neill who has resigned. He worked as Audit Manager at Deloitte (SA), Financial Manager at Spar and CFO at Mutual & Federal for 10 years before joining Zurich Insurance South Africa Limited as CFO in 2009. He retired in May 2014 but continues in a number of non-executive roles.

MANAGERS' PROFILES

1 Allen LEUNG YOON SIUNG, Cert CII
Underwriting Manager, Fire and Accident Department

Joined in April 2012. With more than 20 years of experience in the insurance industry. Allen is responsible for the underwriting of fire, accident, liability and engineering class of insurance. He is a member of the Insurance Institute of Mauritius.

2 Bruno CHAN SIP SIONG, BSc (Hons)
Manager, IT Department

Joined in 1995. Has been working in the IT field for more than 20 years. Bruno is responsible for the day-to-day operations of IT Services department and end-user support. His other areas of responsibility also include the maintenance of insurance application systems.

3 Mario TYPHIS, ACII
Senior Manager, Fire and Accident Department

Joined in 1987 as Reinsurance Manager after more than 13 years in the reinsurance industry. His responsibilities subsequently moved to the underwriting and development of the Fire and Accident Department which embraces fire, accident, liability and engineering classes of insurance. Mario is a Chartered Insurer and a member of the Insurance Institute of Mauritius.

4 Stéphanie PALLAMY, ACII
Motor Manager

Joined in 2005. Stéphanie has been working in the insurance industry for more than 15 years and is currently responsible for the operations of the Motor Department. She is a Chartered Insurer and a council member of the Insurance Institute of Mauritius.

5 Pierre AH SOON, ACCA
Finance Manager

Joined in 2004. Pierre's area of expertise is audit in which he has more than 5 years experience in an offshore company. He is presently responsible for the activities of the Finance department and is the Money Laundering Reporting Officer of the Company.

6 Vikash MUNGLA, BA (Hons)
Reinsurance Manager

Joined in 2003 after having worked for more than 5 years with a world leading reinsurer, Vikash leads the Reinsurance department, including the underwriting of Global insurance policies. His main area of expertise is Reinsurance Financial Analytics. He is an Affiliate of the Institute of Risk Management (UK).

7 Winson CHAN CHIN WAH, ACII
Marine Manager

Joined in 2004. With a vast experience in the general insurance industry, Winson is currently responsible for the operations of the Marine Department. He is a Chartered Insurer and a member of the Insurance Institute of Mauritius.

8 Derek WONG WAN PO, BSc, FCCA
Managing Director

9 Alain MALLIATE, FCII, ACIS
Executive Director

10 Gilbert PETITE
Senior Manager, Claims Department

Joined in 1999. With more than 40 years' experience in the insurance industry, Gilbert is conversant with both English and French insurance procedures. He currently manages the day-to-day operations of claims department which processes motor, fire and engineering claims. He is an active member of the Insurance Institute of Mauritius.

11 Joëlle GRENOUILLE, BSc
Human Resources Manager

Joined in 2011. With a vast experience in the Human Resource field, Joëlle is responsible of the entire internal and external HR requirements of the Finance Sector. Her responsibilities include recruitment, coaching, training, career development and counselling. Joëlle is the co-ordinator of the CSR Program of the Financial Sector.

12 José ARSENIUS, CISA, CISM, CCISO
Senior Manager, IT Department

Joined in 1994. With more than 20 years' experience in the IT sector, José is the head of the IT Services Department. He is responsible for all corporate management & information systems such as Information Security, Quality, Business Continuity and IT Service. He is both a Chartered IT and a Certified Information Security Professional.

13 Jean Philippe DESVAUX DE MARIGNY, DESCF, FCCA
Chief Executive Officer
Mauritian Eagle Leasing Company Limited

Mr Desvaux de Marigny holds a *"Diplôme d'Etude Supérieures Comptables et Financières"* (DESCF) from France and is a Fellow of the Association of Chartered Certified Accountants. He started his career at BDO De Chazal Du Mée in the Corporate Finance department and was the Finance Manager of Robert Le Maire Ltd (RLM) from 2009 to 2012. Further to the acquisition of RLM by IBL in 2012, Jean-Philippe joined the commerce cluster of IBL as Finance and Administrative Manager before being appointed Chief Executive Officer of Mauritian Eagle Leasing Company Limited on 1st July 2014.

14 Natasha WONG CHUNG KI, ACA, FCCA, MBA
Executive Director
Mauritian Eagle Leasing Company Limited

Appointed Executive Director in September 2005, after having held office in the audit department of Kemp Chatteris Deloitte and accounting department of DTOS Ltd. Mrs Wong Chung Ki's areas of responsibility include the establishment of policies and procedures and monitoring of the financial affairs of the Company.

15 Soobiraj KHAITOO, ACCA, MBA
Operations Manager
Mauritian Eagle Leasing Company Limited

Appointed Operations Manager in January 2009, after having held the post of accountant in different departments within IBL since year 2000. Soobiraj's responsibility include administration of the leasing department, client relationships and business development.

NOTICE OF ANNUAL MEETING

Notice is hereby given that the thirty-ninth Annual Meeting of the Shareholders of the Company will be held at the offices of the Company, 1st Floor, IBL House, Caudan, Port Louis on **Friday 5th December 2014 at 14.30 hours** to transact the following business:

Ordinary Resolutions

1. To adopt the minutes of proceedings of the annual meeting held on 6th December 2013.

2. To receive and adopt the Group's and Company's financial statements for the year ended 30 June 2014 and the Directors' and Auditors' reports thereon.

3. To appoint Mr Pieter Bezuidenhout as Director

4. To re-elect as Directors to hold office until the next Annual Meeting by way of separate resolutions the following persons:

   4.1 Mr Robert Ip Min Wan
   4.2 Me J Gilbert Ithier
   4.3 Me Subhash Lallah
   4.4 Mr Gaetan Lan Hun Kuen
   4.5 Mr Nicolas Maigrot
   4.6 Mr Alain Malliaté
   4.7 Mr Derek Wong Wan Po

5. To re-appoint Messrs Deloitte as Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.

By Order of the Board
IBL Corporate Services Ltd
Secretary
Port Louis, Mauritius

14th November 2014

A member entitled to attend and vote at the meeting may appoint any person, whether a member or not, to attend and vote in his stead. Proxy forms must be lodged at the registered office of the company not less than twenty-four hours before the meeting. A proxy form is included in the Annual Report and is also available at the Registered Office of the Company.

CHAIRMAN'S AND MANAGING DIRECTOR'S REPORT

We are pleased to present to you our annual report for the year ended 30th June 2014 which was marked by a major milestone as the Company celebrated its 40th anniversary.

Overall results

Group revenue increased by 21% over last year from Rs 1,114M to Rs 1,345.5M, although profit before taxation decreased by 39% from Rs 131.8M to Rs 80.3M. Both Insurance and Leasing operations posted lower results than last year.

Our investment portfolio performed satisfactorily as growth in the equity stock market outweighed the drop in interest rate in June 2013.

Earnings per share stood at Rs 9.52 (LY: Rs 14.66) and net asset per share at 30 June 2014 was Rs 89.71 (LY: Rs 81.03).

Insurance

Gross premium income was boosted by the Health department which accounted for 43% of the increase. Overall, gross premium increased from Rs 865.5M to Rs 1,066.3M. However, after a promising first nine months, we experienced a disappointing fourth quarter with a deterioration in our claim ratio mainly on the Motor and Accident departments which impacted on underwriting results.

Reinsurance costs as a percentage of gross premiums increased due to significant facultative reinsurance required on some specific accounts.

The one-off expenses incurred during the year coupled with the exceptional gain on disposal of the long term insurance business last year contributed to the drop in profits to Rs 86.1M.

Leasing

This year proved to be a challenging year for our Leasing operation. With some major clients operating in a difficult economic environment, strict monitoring procedures were put in place to ensure proper follow-up and reporting. A deterioration of the portfolio led to a loss before tax of Rs 10.7M (LY: Profit Rs0.2M). We remain focused and prudent in our credit granting procedures with a view to improving the product mix as well as the client mix.

Dividends

An interim dividend of Rs 1.10 (LY: Rs1.10) was paid during the year. The directors recommend that a final dividend of Rs 1.30 (LY: Rs 2.40) be paid to the shareholders.

Outlook

The year ahead will be challenging. Cut-throat competition is driving down premiums especially in the Motor segment and this is an area of concern for the insurance industry as a whole. We are taking appropriate steps to ensure proper pricing and appropriate risk monitoring.

Conditions of the Leasing operation will remain difficult. Close monitoring of the existing portfolio will remain a priority and new opportunities will need to be explored to drive the business.

In line with our vision to take the company to its next level of development, we are pleased to report that we are working on the replacement of our existing insurance software. We recognise technology as being key to helping us optimise our core competencies and increase operational efficiency.

Appointments and resignations

Mr Derek Wong Wan Po was appointed Managing Director with effect from 1st July 2014. He is a Fellow of the Association of Chartered Certified Accountants and was the Group Finance Manager of Ireland Blyth Limited prior to his appointment.

In replacement of Mr John Edward O'Neill, Mr Pieter Bezuidenhout was appointed to the Board on 21st August 2014 as Non-Executive Director.

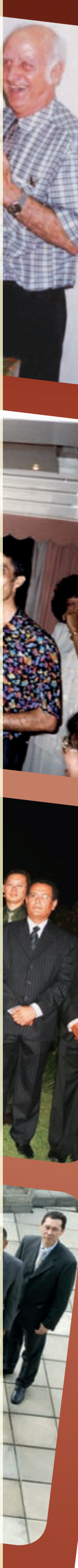
We also welcome Mr Jean-Philippe Desvaux de Marigny who was appointed CEO of the Leasing subsidiary on 1st July 2014.

On 30th June 2014, Mr André Chung Shui, Managing Director of the Company resigned and Mr Yves Meyepa, Executive Director of the Leasing subsidiary retired. We would like to place on record our appreciation of their contribution and wish them well for the future.

Appreciation

In the year of its 40th anniversary celebration, we cannot help but look back with pride at the achievements of the Company during these years. The journey started in 1974 as a venture between Ireland Blyth Limited and South African Eagle and we have grown into one of the leading and respectable institutions in Mauritius. Our thanks go to our founders and colleagues, many of whom have retired already, who helped build the 'Mauritian Eagle' brand.

We also take this opportunity to thank the Board of Directors for their support and guidance, as well as the executive management and staff members for their unrelenting effort and dedication.



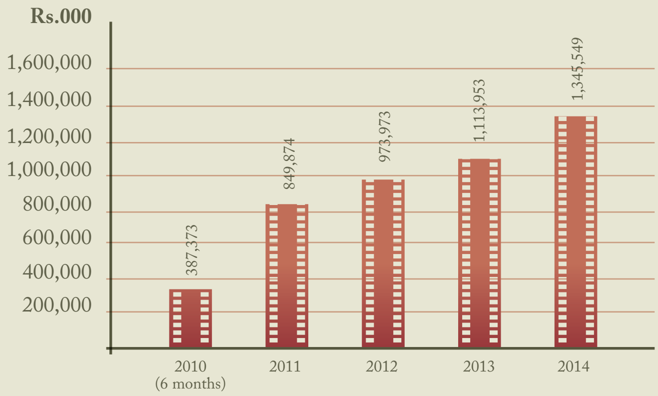
Nicolas Maigrot
Chairman

Derek Wong Wan Po
Managing Director

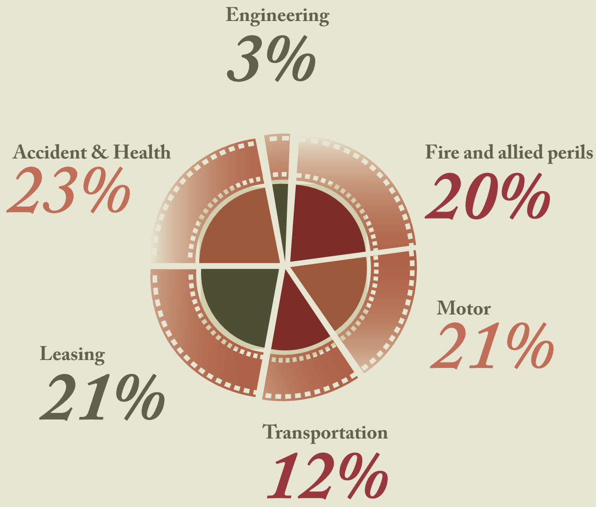
1974 - 1984

GROUP FINANCIAL HIGHLIGHTS

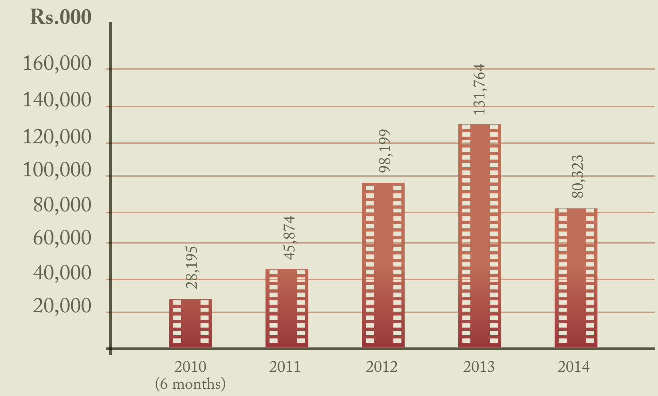
Turnover



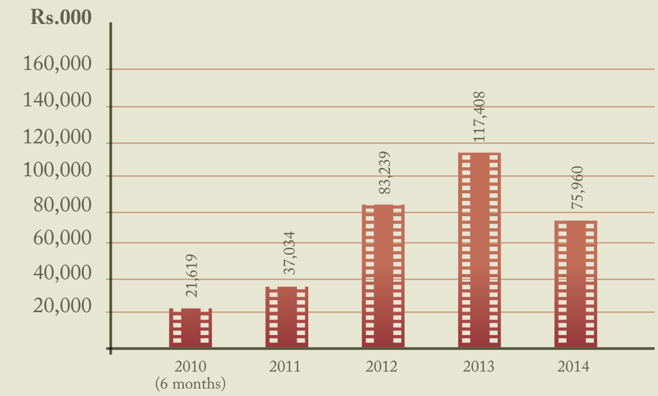
Segmental Revenue



Profit before Tax



Profit after Tax



1994-2004

CORPORATE INFORMATION AND HISTORY

Mauritian Eagle Insurance Company Limited ("MEI") was incorporated in 1973 and admitted on the Official List of the Stock Exchange of Mauritius in 1993. MEI operates in both the domestic and commercial markets and is engaged in short term insurance business comprising of Accident and Health, Engineering, Fire and allied perils, Motor and Transportation insurances. Mauritian Eagle Leasing Company Limited ("MELCO"), a subsidiary of MEI, provides deposit taking services and leasing facilities, both finance and operating.

Major Milestones

2014	MEI celebrated its 40 years
2013	Renovation of offices at Caudan
	Second branch office in Trianon
2012	MEI awarded ISO 20000 IT Service Management Certification
2007	MEI awarded ISO 27001: 2005 Certification
2005	MEI increased its stake to 20% in H.Savy Insurance Company Limited
2004	MEI obtained QM 9004 Certification
	MEI participated in NQA Level 2
	MEI celebrated its 30 years
2003	MEI received Quality Commitment Award
	MEI obtained ISO 9001: 2000 Certification
2002	Launching of Mauritian Eagle's corporate web site
	First branch office in Flacq
2001	Establishment of a Leasing company under MELCO
1998	Moving into new premises at Caudan
1996	MEI acquired a 15% stake in H.Savy Insurance Company Limited
1994	MEI celebrated its 20 years
1993	MEI listed on the Stock Exchange of Mauritius
1974	ME Insurance starts operation

CORPORATE GOVERNANCE STATEMENTS

The Board, management and staff of the Group fully support and are committed to best practices of business integrity, transparency and professionalism.

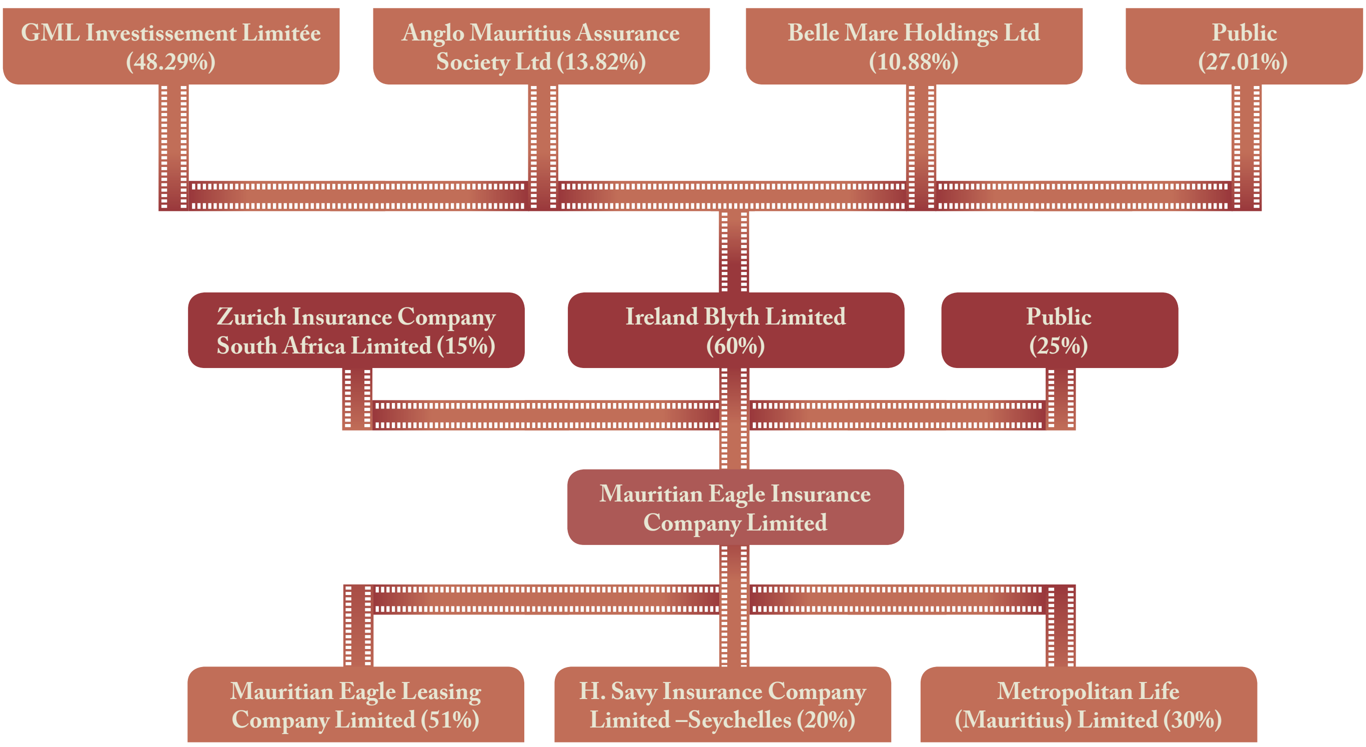
We strive to ensure that all the activities of the Group are conducted in such a way as to satisfy the characteristics of good Corporate Governance, namely:

- *Discipline* – behaviour that is universally recognised and accepted as correct and proper;
- *Transparency* – ease with which an outsider is able to make meaningful analysis of the Company's actions, its economic fundamentals and the non-financial aspects pertinent to the business;
- *Independence* – the extent to which mechanisms have been put in place to avoid or manage conflicts;
- *Accountability* – the existence of effective mechanisms to ensure accountability;
- *Responsibility* – the implementation of processes that allow for corrective actions and acting responsibly towards all stakeholders;
- *Fairness* – the existence of systems within the Company that allow balancing of competing interests; and
- *Social responsibility* – being aware of and responding to social issues and to place a high priority on ethical standards.

The Group is committed to high standards of corporate governance with the Board being accountable to the shareholders for good governance. The Board of Directors recognises that the Report on Corporate Governance (the Code) is regarded as best practice and therefore uses its best endeavours to ensure compliance with the provisions set out in the Code.

The Group has established a corporate governance system involving the Board of Directors, Board Committees, Management, Internal and External Auditors, Industry Best Practices as well as established policies and procedures across all operations. This ensures that the business and affairs of the Group are managed according to the highest standards of corporate governance and in the best interest of all its stakeholders.

GROUP STRUCTURE



BOARD OF DIRECTORS

The Board bears the responsibility of organising and directing the affairs of the Group in a manner that is in the best interest of shareholders and other stakeholders. It is primarily responsible for, amongst other things, the review and adoption of strategic plans, the overview of business performance, adoption of appropriate risk management systems and the establishment of proper internal control systems.

It is also responsible for continually reviewing the activities, practices and trends of the Group so that these are in conformity with legal and regulatory requirements. The Board retains full and effective control over MEI and its subsidiary, delegating the day-to-day running and operational issues to the management.

Composition

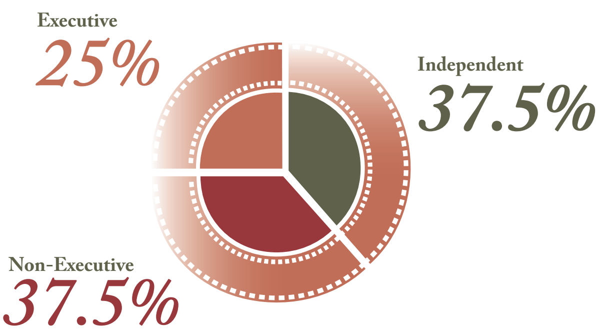
The Board, under the recommendation of the Nomination Committee, is responsible for the appointment of directors who are selected on the basis of their integrity, skill, acumen and experience to make sound judgements relevant to the business of the Company. The Board includes 2 executive directors, 3 independent non-executive directors and 3 non-executive directors.

The Company complies with Section 30 (2) of the Insurance Act 2005 which states that an insurance company's Board of directors should be composed of no less than 7 natural persons of which 30% should be independent non-executive directors. The independent non-executive directors bring a wealth of experience and expertise to the Board and are free from any business or other relationships which would affect their eligibility to exercise independent judgement.

The Code of Corporate Governance provides for directors to be elected or re-elected every year at the annual meeting of shareholders.

The composition of Board and the directors' attendance at Board Meetings were as follows:

Directors		Board Meetings			
		26-Sep-13	4-Nov-13	12-Feb-14	12-May-14
Nicolas MAIGROT	**Non-Executive Chairman**	■	■	■	■
André CHUNG SHUI (Resigned on 30th June 2014)	**Managing Director**	■	■	■	■
Derek WONG WAN PO (Appointed Managing Director on 1st July 2014)	**Non-Executive Director**	■	■	■	■
Alain MALLIATE	**Executive Director**	■	■	■	■
Robert IP MIN WAN	**Independent Non- Executive Director**	■	■	■	■
Gilbert ITHIER	**Independent Non-Executive Director**	■	■	■	■
Subhash LALLAH	**Independent Non-Executive Director**	■	■	■	apologies
Gaetan LAN HUN KUEN	**Non-Executive Director**	■	apologies	■	■
John Edward O'NEILL (Resigned on 1st June 2014)	**Non-Executive Director**	■	■	apologies	apologies
Pieter BEZUIDENHOUT (Appointed on 21st August 2014)	**Non-Executive Director**				



Changes in directorship

- John Edward O'NEILL resigned on 1st June 2014
- André CHUNG SHUI resigned on 30th June 2014
- Derek WONG WAN PO appointed on 1st July 2014
- Pieter BEZUIDENHOUT was appointed on 21st August 2014

New directors have been informed of their duties and responsibilities by way of an induction course.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board fulfils its proper governance responsibilities through various committees. Each board committee has formal written terms of reference in line with the Mauritian Code of Corporate Governance and international best practices that are reviewed on an annual basis. The directors confirm that the committees have functioned in accordance with these terms of reference during the year under review.

Two committees deal with audit, risk, corporate governance and nomination issues.

Audit and Risk Committee

The Audit and Risk Committee is appointed by the Board of MEI and is chaired by an independent non-executive director, and comprises of at least two members, who both are non-executive directors. For the year under review, the attendance to the Audit and Risk Committee for year under review was as follows:

Committee members		Committee meetings			
		26-Sep-13	30-Oct-13	7-Feb-14	8-May-14
Robert IP MIN WAN	**Independent Non-Executive Chairman**	■	■	■	■
Gaetan LAN HUN KUEN	**Non-Executive Director**	■	**apologies**	■	**apologies**
Derek WONG WAN PO (Appointed Managing Director on 1st July 2014)	**Non-Executive Director**	■	■	■	■
Gilbert ITHIER (Appointed on 20th August 2014)	**Independent Non-Executive Director**				

Its principal function is to oversee the financial reporting process. The activities of the Audit Committee includes regular reviews and monitoring of the effectiveness of MEI's financial reporting and internal control policies and risk management systems, the effectiveness of the internal audit function, the independence of the external audit process and assessment of the external auditor's performance, the remuneration of external auditors, and to ensure compliance with laws and regulations relevant to financial reporting and with our internal code of business conduct. The Committee meets as frequently as it deems necessary prior to the Board's review of the annual financial statements and profit announcements. The presence of internal and external auditors and management team was requested whenever necessary. The internal audit function is entrusted to Ernst & Young who have been given unrestricted access to the records, management and employees of the group. The Board confirms that there have been no significant issues that have affected the proper functioning of the internal control systems during the year under review which could have impacted on the financial statements.

Risk Management

The Audit and Risk Committee is also responsible for reviewing the effectiveness of the risk strategy of MEI, for establishing and maintaining a strong risk control environment and for the monitoring of the risk management process. It ensures that appropriate structures, procedures and systems are in place to mitigate all risks. Risk assessment activities were carried out during the year under review and the risks discussed and identified. A risk management process was implemented to minimise the impact of identified risks which have been categorised as follows:

- *Insurance Risk*

MEI's insurance activities are primarily concerned with the pricing, acceptance and management of risks from customers and also include reinsurance risks. The claims department closely monitors claims developments whilst treaty purchases are analysed to ensure that level of cover is aligned with the company's strategy and objectives.

- *Operational Risk*

Operational risks can have significant negative impact on the company's financial position. These are fraud risks, reputation risks, material damage, business continuity risks and disaster recovery, change management and human resources risks. In line with the requirement of the ISO standard which requires the identification of an operational area which is accessible to all stakeholders in case the company needs to rapidly operate after a disaster, a Business Continuity Management System has been implemented and tested during the year under review.

- *Credit Risk*

Credit risk is the risk of default by customers thereby causing loss to the company. The Group has its policies on credit risk management to control level of exposure and mitigate the risk. Management also monitors and reviews non-performances leases on an on-going basis so as to reduce the risk.

- *Foreign Exchange Risk*

Most of the Group's financial assets and liabilities are in Mauritian Rupees. The Group has its foreign exchange policy which sets out measures to hedge against this risk.

- *Liquidity Risk*

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

- *Interest Rate Risk*

The Group's interest-rate risk arises from deposits held at bank and borrowings. Deposits held at bank and borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Deposits held at bank and borrowings issued at fixed rates expose the Group to fair value interest-rate risk. IBL Group's policy is to maintain its deposits held at bank and borrowings in variable rate instruments.

- *IT Risk*

These are the risks that hardware and software used are exposing the Group to losses. MEI is certified ISO 27001-2005 Security Management System Certification since February 2007.

- *Regulatory and Environment Risk*

These include regulatory risks and industry risks which can result in increased pressures and significantly affect the company's ability to conduct business.

Corporate Governance Committee

The Corporate Governance Committee is appointed by the Board and the majority of which is composed of non-executive directors. The attendance of Corporate Governance Committee for year under review was as follows:

Committee members		Committee meetings	
		25-Sep-13	12-Feb-14
Subhas LALLAH	**Independent Non-Executive Chairman**	■	■
Gaetan LAN HUN KUEN	**Non-Executive Director**	**apologies**	■
André CHUNG SHUI (Resigned on 30th June 2014)	**Managing Director**	■	■
Derek WONG WAN PO (Appointed Managing Director on 1st July 2014)	**Non-Executive Director**	■	**apologies**
Alain MALLIATE	**Executive Director**	■	■
Gilbert ITHIER (Appointed on 20th August 2014)	**Independent Non-Executive Director**		

The main functions of the Corporate Governance Committee is to provide guidance to the Board on aspects of corporate governance and for recommending the adoption of policies and best practices as appropriate for the Group. The Corporate Governance Committee also ensures that the reporting requirements on Corporate Governance are in accordance with the Code of Corporate Governance under the Financial Reporting Act 2004. The Committee meets at least twice a year and on an ad-hoc basis.

Remuneration Philosophy

The Board has entrusted the Corporate Governance Committee the responsibility for the nomination and remuneration of Directors and members of board sub-committees by taking into consideration the market conditions, benchmarking in the industry and the Group's results.

The Committee reviews the Group's succession plan and communicates any areas of concern to the board. The Group is presently not at risk in any senior executive position. The development of the plan is ongoing and gets formally reviewed annually.

The Group strongly believes that the achievements and merits of high performing employees should be recognised and rewarded. The Human Resources department is delegated the responsibility of determining managers' and employees' remuneration and benefits. This is reviewed annually after taking into consideration market conditions and practices as well as the performances and responsibilities of the employees.

The Group shares risks of a defined benefit plan which is operated by its immediate holding company, Ireland Blyth Limited (IBL Group) and was closed to new members as from July 1999. Membership to a state pension plan and IBL Group's defined contribution plan are compulsory for all executive management and permanent staff.

Internal Control

The directors have the overall responsibility for maintaining a sound and effective system of internal controls. The system of internal controls has been designed to provide the directors with reasonable assurance that assets of the Group are safeguarded, that transactions are authorised and properly recorded, that material misstatements or losses are either prevented or detected within a reasonable time, and that the risks of failures in operational systems are being managed.

Dividend Policy

Dividends are declared and paid half yearly. Subject to internal cash flow requirements and the need for future capital investments, it is MEI's policy to declare dividends out of profits available for distribution in accordance with the Companies Act 2001 and International Financial Reporting Standards; the balance being transferred to reserves. For the year under review, a dividend of Rs 27,999,993 was paid (2013: Rs 19,199,995).

SHAREHOLDERS' CALENDAR

Release of first quarter results	November 2014
Payment of final dividend	December 2014
Annual meeting of shareholders	December 2014
Release of second quarter results and declaration of interim dividend	February 2015
Payment of interim dividend	April 2015
Release of third quarter results	May 2015
Release of financial year end results and declaration of final dividend	September 2015

MAURITIAN EAGLE LEASING COMPANY LIMITED

Board members for the year under review was as follows:

Directors	
Nicolas MAIGROT	**Non-Executive Director**
Yves MEYEPA (Retired on 30th June 2014)	**Executive Director**
Jean Philippe DESVAUX DE MARIGNY (Appointed on 1st July 2014)	**Chief Executive Officer**
Natasha WONG CHUNG KI	**Executive Director**
Antoine DOMINGUE (Retired on 11th November 2013)	**Chairman**
Teeluckraj TAPESAR (Appointed on 12th February 2014)	**Independent Non- Executive Chairman**
Robert IP MIN WAN	**Independent Non- Executive Director**
Bernard YEN	**Independent Non-Executive Director**
Manoj VAJHEE (Appointed on 19th March 2014)	**Independent Non-Executive Director**
André CHUNG SHUI (Resigned on 30th June 2014)	**Non-Executive Director**
Derek WONG WAN PO	**Non-Executive Director**

OTHER STATUTORY DISCLOSURES

Directorship of other listed companies

Included in Directors' profile

Common Directors

The common directors of MEI and its subsidiary are as follows:

Directors	IBL	MEI	MELCO
Nicolas MAIGROT	**Director**	**Chairman**	**Director**
André CHUNG SHUI		**Director** (Resigned on 30th June 2014)	**Director** (Resigned on 30th June 2014)
Alain MALLIATE		**Director**	
Robert IP MIN WAN		**Director**	**Director**
Gilbert ITHIER		**Director**	
Subhash LALLAH		**Director**	
Gaetan LAN HUN KUEN	**Director**	**Director**	
Derek WONG WAN PO		**Director**	**Director**
John Edward O'NEILL		**Director** (Resigned on 1st June 2014)	
Pieter BEZUIDENHOUT		**Director** (Appointed on 21st August 2014)	
Yves MEYEPA			**Director** (Retired on 30th June 2014)
Jean Philippe DESVAUX DE MARIGNY			**Director** (Appointed on 1st July 2014)
Natasha WONG CHUNG KI			**Director**
Antoine DOMINGUE			**Chairman** (Retired on 11th November 2013)
Teeluckraj TAPESAR			**Chairman** (Appointed on 12th February 2014)
Bernard YEN			**Director**
Manoj VAJHEE			**Director** (Appointed on 19th March 2014)

Directors' remuneration and benefits

Emoluments paid by MEI and related corporations to directors of MEI are set out in the table below:

	The Group		The Company		Related Corporations	
	2014	2013	**2014**	2013	**2014**	2013
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Continuing operations						
Full-Time	**14,440**	12,863	**10,273**	8,431	**-**	-
Part-Time	**1,288**	1,445	**523**	445	**41,335**	46,851
	15,728	14,308	**10,796**	8,876	**41,335**	46,851

The directors' remuneration is disclosed by category in view of the confidentiality and sensitivity of the information. The directors' remuneration has also been disclosed under note 36 for related party transactions.

Directors' Service Contracts

There are no service contracts between MEI and its directors.

Directors' Share Interests

None of the directors have a direct or indirect share in the equity of MEI or its subsidiary.

Share Dealings

Members of the Board have been informed that they should not deal in MEI's shares during the 30 calendar days preceding publication of results, and prior to the declaration of dividends, or any major event affecting the company that might influence its share price. Members have also been advised to declare to MEI all transactions conducted by them outside the periods mentioned.

Significant Contracts

No contracts of significance existed during the year under review between MEI or its subsidiary and any director or controlling shareholder of MEI, either directly or indirectly.

Substantial Shareholding

The directors have been advised that the following persons or entities (excluding directors) held 5% or more of the nominal value of the share capital of MEI.

Shareholders holding more than 5% of the shares	Number of ordinary shares	%
Ireland Blyth Limited	4,800,000	60.00%
Zurich Insurance Company South Africa Limited	1,200,000	15.00%

Shareholding Profile

Ownership of ordinary share capital by size of shareholding as at 30 June 2014 was as follows:

Size of Shareholding	Number of shareholders	Number of Shares Owned	% Holding
1 - 100 shares	186	7,695	0.09%
101 - 200 shares	48	7,883	0.10%
201 - 300 shares	45	13,289	0.17%
301 - 500 shares	30	12,711	0.16%
501 - 1000 shares	96	70,642	0.88%
Above 1000 shares	182	7,887,778	98.60%
	587	**7,999,998**	**100.00%**

N.B The above number of shareholders is indicative, due to consolidation of multi portfolios for reporting purposes. The total number of active shareholders as at 30 June 2014 was 615.

Constitution

The constitution of MEI 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.

Meeting of shareholders

In conformity with Section 117 of the Companies Act, a shareholders' resolution was passed on 6th December 2013 for the approval of the financial statements for the year ended 30th June 2013.

Auditor's fees (Continuing operations)

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Fees paid to Deloitte for				
Audit fees	**444**	433	**269**	248
Tax services	**10**	10	**-**	-
	454	443	**269**	248

Messrs Deloitte, who has accepted to continue in office, will be proposed for re-appointment at the Annual Meeting.

Share price information and performance

	Year ended 30-Jun-14	Year ended 30-Jun-13	Year ended 30-Jun-12	Year ended 30-Jun-11	6 months ended 30-Jun-10
Market Price (Rs)	**109.00**	100.00	70.00	80.00	62.00
Earnings Per Share (Rs)	**9.52**	14.66	10.40	7.34	3.33
Dividend per share (Rs)	**2.40**	3.50	2.40	2.10	1.00
Price Earnings ratio (times)	**11.45**	6.82	6.73	10.90	18.62
Net Assets value per share (Rs)	**89.71**	81.03	67.03	61.54	54.03
Dividend yield (%)	**2.20**	3.50	3.43	2.63	3.23

Relationship with shareholders

The Board is committed to properly understand the information needs of all shareholders and other stakeholders of MEI. It ensures that lines of communication are kept open to communicate all matters affecting MEI to its shareholders.

Anti-Money Laundering

In line with the requirements of the Financial Intelligence and Anti-Money Laundering Act 2002 and the Regulations 2003, control procedures and internal policies are regularly reviewed and staff training is done at least twice yearly.

Safety, Health and Environmental Practices

Health and safety policies adopted have ensured satisfactory compliance with the appropriate legislation and ruling standards. No injuries at work were recorded. The Group adheres to the IBL Group's health and safety and environmental policies.

Code of Ethics

The Group is committed to the highest standards of integrity and ethical conduct with all its stakeholders.

Social Responsibility

The Group has kept working towards the advancement and welfare of its employees and the socio-economic development of the island. In line with the Group's corporate social responsibility policy to help underprivileged children, numerous activities have been organised and staff have been encouraged to participate; these include amongst others:

- School materials were offered to Lumière D'Esperance, an organisation established in April 2013 to provide educational assistance to children.
- At the request of Espoir Revivre Barkly, three workshops were organised on HIV and drug awareness for youngsters and leaflets were distributed to participants.
- Musical instruments were provided to children aged 6-12 years of the ACSEA (Association Culturelle de Sensibilisation et d'Éveil Artistique) promoting the child development and creativity.
- Books were offered to children of SOS Famille at Beau Bassin.
- A safari was organised for the children of Solidarité Mamans, an organisation assisting mothers in child care and education to needy children.

Promoting human resource development

The Group endeavours to maintain a high standard of professionalism with continuous training. The employees regularly attend training and refresher courses and are also encouraged to pursue further studies by taking advantage of the employee study scheme which provides funding to employees wishing to obtain professional qualifications in insurance and accounting.

Carbon Reduction Reporting

As part of its ongoing programme to help protect the environment and within the context of the GML "Think Green" initiative, the IBL Group has set up a committee composed of representatives of different clusters, to promote the values of both IBL Environment and GML Think Green Charters. The Charter aims to:

- promote an environment culture by recognising environmental achievement as one of the main core values;
- create a sense of awareness among employees to be more proactive rather than reactive in all activities with regards to the environment;
- endeavour to comply with relevant environmental regulations and standards;
- adopt good practices by optimising all non-renewable resources and encouraging best waste management;
- evaluate the objectives fixed for energy saving and resources management and a continuous assessment of good practices adopted; and
- act responsibly towards the environment by committing to sustainable development of the Group for the benefit of the society, shareholders and other stakeholders.

The direct impact on climate change will be reduced with the Group's commitment to manage carbon reduction by focusing on the areas such as:

- controlling air conditioning;
- switching off of lights in areas where not required after office hours;
- installing passive infra-red lighting in certain common areas;
- monitoring the purchase of low energy consumption equipments;
- intensive use of emails to reduce the use of papers;
- turning off the computers when going out for lunch; and
- paperless office and rector/verso document printing if required.

Donations (Continuing operations)

	The Group		The Company	
	2014	2013	**2014**	2013
	Rs'000	Rs'000	**Rs'000**	Rs'000
Charitable donations	**20**	55	**1**	55
Corporate social responsibility contribution	**1,917**	1,843	**1,917**	1,843
	1,937	1,898	**1,918**	1,898

The Group did not make any contribution to political parties during the year under review.

Related party transactions

Related party transactions are disclosed under note 36 of the financial statements.

Company Secretary

All Directors have access to the advice and services of the Company Secretary, namely IBL Corporate Services Ltd, who is responsible for providing guidance to directors as to their duties, responsibilities and powers.

Chairman

Director

25 September 2014

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity: **MAURITIAN EAGLE INSURANCE COMPANY LIMITED**
Reporting Period: **1 July 2013 to 30 June 2014**

We, the Directors of Mauritian Eagle Insurance Company Limited, confirm that to the best of our knowledge that that the PIE has complied with all of its obligations and requirements under the Code of Corporate Governance except for Section 2.8 (Remuneration of Directors). The reason for non-compliance being that the Directors' remuneration is disclosed by category in view of the confidentiality and sensitivity of the information.

Chairman

Director

25 September 2014

CERTIFICATE FROM THE COMPANY SECRETARY

In terms of Section 166(d) of the Mauritius Companies Act 2001, 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.

IBL Corporate Services Ltd
COMPANY SECRETARY

25 September 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors acknowledge their responsibilities for:

a) Adequate accounting records and maintenance of effective internal control systems;

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

c) The use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The Directors report that:

a) Adequate accounting records and an effective system of internal controls and risk management have been maintained;

b) Appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

c) International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified;

d) The Code of Corporate Governance has been adhered to in all material aspects and reasons provided for non-compliance.

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

On behalf of the Board

Chairman

Director

25 September 2014

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAURITIAN EAGLE INSURANCE COMPANY LIMITED

Deloitte.

This report is made solely to the company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 shareholders 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 **Mauritian Eagle Insurance Company Limited ("the Company") and its subsidiary (collectively referred to as "the Group")** on pages 28 to 86 which comprise the statements of financial position as at 30 June 2014 and the statements of profit or loss and other comprehensive income, 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 information.

Directors' responsibilities 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 Mauritius Companies Act 2001 and the Financial Reporting Act 2004. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's judgment, 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 auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements on pages 28 to 86 give a true and fair view of the financial position of **the Group and the Company as at 30 June 2014**, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the company and its subsidiary other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records.

The 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 on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosures in the annual report are consistent with the requirements of the Code.

Insurance Act 2005

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

Deloitte.

Deloitte
Chartered Accountants

L. Yeung Sik Yuen, ACA
Licensed by FRC

25 September 2014


2004-2014
MAURITIAN EAGLE INSURANCE COMPANY LTD

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2014

	Notes	The Group		The Company	
		2014	2013	**2014**	2013
		Rs'000	Rs'000	**Rs'000**	Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**695,403**	658,780	**110,590**	82,957
Intangible assets	6	**4,743**	2,964	**4,696**	2,884
Investment in subsidiary	7	**-**	-	**102,000**	102,000
Investment in associates	8	**59,864**	54,837	**13,813**	13,813
Statutory and other deposits	9	**6,000**	8,000	**6,000**	8,000
Financial assets	10	**504,627**	235,965	**504,627**	235,965
Finance lease receivables	11	**934,929**	1,059,413	**-**	-
		2,205,566	2,019,959	**741,726**	445,619
Current assets					
Statutory and other deposits	9	**2,000**	-	**2,000**	-
Finance lease receivables	11	**469,027**	383,553	**-**	-
Trade and other receivables	12	**420,182**	377,817	**300,074**	205,368
Amounts due from group companies	13	**108,649**	195,150	**108,649**	195,150
Claims recoverable from reinsurers	14	**153,922**	163,581	**153,922**	163,581
Bank and cash balances	31	**704,317**	523,289	**136,280**	319,497
		1,858,097	1,643,390	**700,925**	883,596
Total assets		**4,063,663**	3,663,349	**1,442,651**	1,329,215
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	15	**80,000**	80,000	**80,000**	80,000
Reserves		**637,699**	568,203	**590,415**	525,700
Equity attributable to owners of the company		**717,699**	648,203	**670,415**	605,700
Non-controlling interests		**99,183**	99,421	**-**	-
Total equity		**816,882**	747,624	**670,415**	605,700
Other reserves	16	**2,388**	2,388	**-**	-
Insurance fund	17	**269,509**	240,253	**269,509**	240,253
Non-current liabilities					
Loans	19	**73,945**	29,397	**-**	-
Deposits from customers	20	**1,040,028**	833,739	**-**	-
Deferred tax liabilities	21	**5,408**	12,046	**7,299**	3,766
		1,119,381	875,182	**7,299**	3,766
Current liabilities					
Trade and other payables	22	**199,392**	169,041	**126,424**	113,538
Loans	19	**32,192**	15,684	**-**	-
Gross outstanding claims	14	**366,091**	362,031	**366,091**	362,031
Deposits from customers	20	**1,254,915**	1,247,219	**-**	-
Current tax liabilities	23(i)	**2,913**	3,927	**2,913**	3,927
		1,855,503	1,797,902	**495,428**	479,496
Total equity and liabilities		**4,063,663**	3,663,349	**1,442,651**	1,329,215

Approved by the Board of Directors and authorised for issue on **25th September 2014**

DIRECTOR **DIRECTOR**

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	The Group		The Company	
		2014	2013	**2014**	2013
		Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue					
Gross insurance premiums		**1,066,326**	865,506	**1,066,340**	865,530
Rental and lease income		**279,209**	248,447	**-**	-
		1,345,535	1,113,953	**1,066,340**	865,530
Reinsurance premiums ceded		**(584,999)**	(444,513)	**(584,999)**	(444,513)
Net Revenue		**760,536**	669,440	**481,341**	421,017
Investment income	24	**39,240**	41,022	**40,261**	37,011
Commission income		**73,047**	68,627	**69,905**	64,766
Other income	25	**10,255**	12,311	**10,220**	8,581
		883,078	791,400	**601,727**	531,375
Benefits and Expenses					
Net benefits and claims	26	**(257,407)**	(229,987)	**(257,407)**	(229,987)
Commission payable		**(100,079)**	(84,613)	**(100,079)**	(84,613)
Administrative expenses	27	**(286,316)**	(231,423)	**(128,881)**	(99,267)
		(643,802)	(546,023)	**(486,367)**	(413,867)
Profit from operations		**239,276**	245,377	**115,360**	117,508
Release to: General insurance fund	17	**(29,256)**	(22,469)	**(29,256)**	(22,469)
		210,020	222,908	**86,104**	95,039
Finance costs	28	**(138,611)**	(131,434)	**-**	-
		71,409	91,474	**86,104**	95,039
Share of profits of associate	8	**8,914**	5,521	**-**	-
Profit before disposal of subsidiary		**80,323**	96,995	**86,104**	95,039
Gain recognised on disposal of interest in former subsidiary	41	**-**	34,769	**-**	32,200
Profit before tax		**80,323**	131,764	**86,104**	127,239
Income tax expense	23(ii)	**(4,363)**	(14,356)	**(14,534)**	(14,399)
Profit after taxation		**75,960**	117,408	**71,570**	112,840
Transfer to statutory reserve fund	16	**-**	(42)	**-**	-
Profit for the year from continuing operations		**75,960**	117,366	**71,570**	112,840
Profit for the year from discontinuing operations	40	**-**	-	**-**	-
Profit for the year		**75,960**	117,366	**71,570**	112,840
Other comprehensive income					
Items that may not be reclassified subsequently to profit or loss					
Gain on revaluation of properties		**23,128**	-	**23,128**	-
Deferred tax liability arising from gain on revaluation of properties		**(3,469)**	-	**(3,469)**	-
Items that may be reclassified subsequently to profit or loss					
Exchange difference arising from translation of associate operations		**153**	5,855	**-**	-
Reclassification adjustments relating to former subsidiary disposed of during the year		**-**	3,920	**-**	-
Net gain arising on revaluation of available-for-sale financial assets during the year	10	**7,112**	8,427	**7,112**	8,427
Reclassification adjustments relating to available-for-sale financial assets disposed of during the year		**(5,626)**	(399)	**(5,626)**	(399)
Other comprehensive income for the year		**21,298**	17,803	**21,145**	8,028
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**97,258**	135,169	**92,715**	120,868
Profit attributable to:					
Owners of the company		**76,198**	117,250	**71,570**	112,840
Non-controlling interests		**(238)**	116	**-**	-
		75,960	117,366	**71,570**	112,840
Total comprehensive income attributable to:					
Owners of the company		**97,496**	135,053	**92,715**	120,868
Non-controlling interests		**(238)**	116	**-**	-
		97,258	135,169	**92,715**	120,868
EARNINGS PER SHARE	29 Rs	**9.52**	14.66		

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Stated Capital Rs'000	Property revaluation reserve Rs'000	Investments revaluation reserve Rs'000	Foreign currency translation reserve Rs'000	Retained earnings Rs'000	Attributable to owners of the company Rs'000	Non controlling interests Rs'000	Total equity Rs'000
THE GROUP									
Balance as at 1 July 2012		80,000	18,754	4,354	(10,136)	439,378	532,350	99,305	631,655
Dividends	30	-	-	-	-	(19,200)	(19,200)	-	(19,200)
Transfer to retained earnings *		-	(501)	-	-	501	-	-	-
Profit for the year		-	-	-	-	117,250	117,250	116	117,366
Other comprehensive income for the year		-	-	11,948	5,855	-	17,803	-	17,803
Total comprehensive income for the year		-	-	11,948	5,855	117,250	135,053	116	135,169
Balance at 30 June 2013		80,000	18,253	16,302	(4,281)	537,929	648,203	99,421	747,624
Dividends	30	-	-	-	-	**(28,000)**	**(28,000)**	-	**(28,000)**
Transfer to retained earnings *		-	**(500)**	-	-	**500**	-	-	-
Profit for the year		-	-	-	-	**76,198**	**76,198**	**(238)**	**75,960**
Other comprehensive income for the year		-	**19,659**	**1,486**	**153**	-	**21,298**	-	**21,298**
Total comprehensive income for the year		-	**19,659**	**1,486**	**153**	**76,198**	**97,496**	**(238)**	**97,258**
Balance at 30 June 2014		**80,000**	**37,412**	**17,788**	**(4,128)**	**586,627**	**717,699**	**99,183**	**816,882**

* The difference in the depreciation based on revalued amount and the cost of the building, net of deferred tax, is transferred from property revaluation reserve to retained earnings.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Stated Capital Rs'000	Property revaluation reserve Rs'000	Investments revaluation reserve Rs'000	Retained earnings Rs'000	Total Rs'000
THE COMPANY						
Balance at 1 July 2012		80,000	18,754	8,274	397,004	504,032
Dividends	30	-	-	-	(19,200)	(19,200)
Transfer to retained earnings *		-	(501)	-	501	-
Profit for the year		-	-	-	112,840	112,840
Other comprehensive income for the year		-	-	8,028	-	8,028
Total comprehensive income for the year		-	-	8,028	112,840	120,868
Balance at 30 June 2013		80,000	18,253	16,302	491,145	605,700
Dividends	30	**-**	**-**	**-**	**(28,000)**	**(28,000)**
Transfer to retained earnings *		**-**	**(500)**	**-**	**500**	**-**
Profit for the year		**-**	**-**	**-**	**71,570**	**71,570**
Other comprehensive income for the year		**-**	**19,659**	**1,486**	**-**	**21,145**
Total comprehensive income for the year		**-**	**19,659**	**1,486**	**71,570**	**92,715**
Balance at 30 June 2014		**80,000**	**37,412**	**17,788**	**535,215**	**670,415**

* The difference in the depreciation based on revalued amount and the cost of the building, net of deferred tax, is transferred from property revaluation reserve to retained earnings.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	The Group		The Company	
		2014	2013	2014	2013
		Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities					
Profit before taxation		**80,323**	131,764	**86,104**	127,239
Adjustments for:					
Depreciation and amortisation	5 and 6	**120,875**	104,596	**8,909**	5,867
Loss/(Profit) on sale of property, plant and equipment	25	**3,074**	(27)	**(55)**	(27)
(Profit)/Loss on sale of investments	25	**(2,161)**	732	**(2,162)**	(1,022)
Profit on sale of subsidiary	41	**-**	(34,769)	**-**	(32,200)
Credit losses written off net of reversal of provision	11	**14,169**	13,000	**-**	-
Dividend income	24	**(3,973)**	(5,013)	**(8,013)**	(6,828)
Interest income	24	**(39,307)**	(55,746)	**(32,248)**	(30,183)
Interest expense	28	**138,611**	131,434	**-**	-
Share of profits of associates	8	**(8,914)**	(5,521)	**-**	-
Net life insurance fund	18	**-**	20,312	**-**	-
Net general insurance fund	17	**29,256**	22,469	**29,256**	22,469
Operating profit before working capital changes		**331,953**	323,231	**81,791**	85,315
Increase in trade and other receivables		**(38,592)**	(106,030)	**(90,933)**	(55,491)
Increase in mortgage and other loans		**-**	(12,274)	**-**	-
Increase in claims outstanding		**13,719**	37,668	**13,719**	37,668
Increase/(decrease) in trade and other payables		**18,491**	(16,837)	**12,887**	34,310
Increase in deposits		**213,985**	394,360	**-**	-
Increase in finance leases	11(a)	**24,841**	(179,725)	**-**	-
		232,444	117,162	**(64,327)**	16,487
Cash generated from operations		**564,397**	440,393	**17,464**	101,802
Taxation paid	23(i)	**(15,484)**	(16,199)	**(15,484)**	(16,199)
Interest paid		**(126,751)**	(114,472)	**-**	-
Net cash generated from operating activities		**422,162**	309,722	**1,980**	85,603
Cash flows from investing activities					
(Decrease)/increase in amount due from group companies	13	**(4,596)**	(219)	**(4,596)**	444
Purchase of investments	10	**(339,186)**	(138,551)	**(339,186)**	(67,142)
Proceeds from sale of subsidiary		**-**	-	**-**	49,700
Decrease in statutory and other deposits		**-**	1,000	**-**	1,000
Proceeds from sale of investments	10	**74,171**	47,671	**74,171**	18,966
Purchase of property, plant and equipment	5	**(151,632)**	(195,214)	**(12,102)**	(11,520)
Purchase of intangible assets	6	**(3,242)**	(2,745)	**(3,218)**	(1,654)
Proceeds from sale of property, plant and equipment		**15,651**	15,576	**149**	82
Net cash outflow on disposal of subsidiary	41(a)	**-**	(123,736)	**-**	-
Interest received		**35,534**	52,224	**28,475**	26,662
Dividend received		**8,013**	8,814	**8,013**	6,828
Net cash (used in)/generated from investing activities		**(365,287)**	(335,180)	**(248,294)**	23,366
Cash flows from financing activities					
Proceeds from loans	19	**84,433**	10,786	**-**	-
Repayment of loan	19	**(23,377)**	(44,566)	**-**	-
Dividends paid	30	**(28,000)**	(19,200)	**(28,000)**	(19,200)
Net cash generated from/(used in) financing activities		**33,056**	(52,980)	**(28,000)**	(19,200)
Increase/(decrease) in cash and cash equivalents		**89,931**	(78,438)	**(274,314)**	89,769
Cash and cash equivalents at beginning of the year		**715,758**	794,196	**511,966**	422,197
Cash and cash equivalents at end of the year	31	**805,689**	715,758	**237,652**	511,966

1 GENERAL INFORMATION

Mauritian Eagle Insurance Company Limited (the "Company") is a listed limited liability company incorporated and domiciled in Mauritius. The Company's registered office is situated at 5th Floor, IBL House, Caudan, Port Louis and operates at 1st Floor, IBL House, Caudan, Port Louis. The Company, the subsidiary and the associates are collectively referred to as the "Group".

The Company carries out short term insurance comprising of general insurances and covers the following:

- Accident and Health;
- Engineering;
- Fire and allied perils;
- Motor; and
- Transportation.

The activities of the subsidiary company are disclosed in note 7(c).

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2013.

2.1 Standards and Interpretations applied with no effect on financial statements

The following relevant new and revised IFRSs have been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

IAS 1	Presentation of Financial Statements - Amendments resulting from Annual Improvements 2009-2011 Cycle (comparative information)
IAS 16	Property, Plant and Equipment - Amendments resulting from Annual Improvements 2009-2011 Cycle (servicing equipment)
IAS 19	Employee Benefits - Amended standard resulting from the post-employment benefits and termination benefits projects
IAS 28	Investments in Associates and Joint Ventures - Original issue
IAS 32	Financial Instruments: Presentation - Amendments resulting from Annual Improvements 2009-2011 Cycle (tax effect of equity distributions)
IFRS 7	Financial Instruments: Disclosures - Amendments related to the offsetting of assets and liabilities
IFRS 10	Consolidated Financial Statements - Original issue
IFRS 10	Consolidated Financial Statements - Amendments to transitional guidance
IFRS 12	Disclosure of Interests in Other Entities - Original issue
IFRS 12	Disclosure of Interests in Other Entities - Amendments to transitional guidance
IFRS 13	Fair Value Measurement - Original issue

2.2 Standards and Interpretations in issue not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 16	Property, Plant and Equipment - Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation) (effective 1 July 2014)
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016)
IAS 16	Property, Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16 (effective 1 January 2016)

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)

2.2 Standards and Interpretations in issue not yet effective (continued)

IAS 19	Employee Benefits - Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service (effective 1 July 2014)
IAS 24	Related Party Disclosures - Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities) (effective 1 July 2014)
IAS 27	Separate Financial Statements - Amendments for investment entities (effective 1 January 2014)
IAS 27	Separate Financial Statements - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective 1 January 2016)
IAS 32	Financial Instruments: Presentation - Amendments relating to the offsetting of assets and liabilities (effective 1 January 2014)
IAS 36	Impairment of Assets - Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets (effective 1 January 2014)
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016)
IAS 38	Intangible Assets - Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation) (effective 1 July 2014)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for novations of derivatives (effective 1 January 2014)
IAS 39	Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective 1 January 2018)
IFRS 2	Share-based Payment - Amendments resulting from Annual Improvements 2010-2012 Cycle (definition of 'vesting condition') (effective 1 January 2014)
IFRS 3	Business Combinations - Amendments resulting from Annual Improvements 2010-2012 Cycle (accounting for contingent consideration) (effective 1 July 2014)
IFRS 3	Business Combinations - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope exception for joint ventures) (effective 1 July 2014)
IFRS 7	Financial Instruments: Disclosures. Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)
IFRS 8	Operating Segments - Amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments, reconciliation of segment assets) (effective 1 July 2014)
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)
IFRS 10	Consolidated Financial Statements - Amendments for investment entities (effective 1 January 2014)
IFRS 12	Disclosure of Interests in Other Entities - Amendments for investment entities (effective 1 January 2014)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52) (effective 1 July 2014)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2010-2012 Cycle (short-term receivables and payables) (effective 1 July 2014)
IFRS 15	Revenue from Contracts with Customers (effective 1 January 2017)

The directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet had an opportunity to consider the potential impact of the adoption of these amendments.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and the Company are as follows:

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

3.2 Basis of preparation

The financial statements have been prepared under the historical cost convention except for freehold building and certain available-for-sale investments that are measured at revalued amounts or fair values, as explained in the accounting policies, and in accordance with International Financial Reporting Standards (IFRSs).

3.3 Basis of consolidation

The financial statements include the results of the Company and of its subsidiary. The results of the subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date of acquisition or up to the date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's shareholding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Non-controlling interests in the net assets of the subsidiary are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests of changes in equity since the date of the combination. Losses applicable to the minority in excess of the non-controlling interests' in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Basis of consolidation (continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost or revalued amount less accumulated depreciation and any accumulated impairment losses. Revaluations on property are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at end of the reporting period.

Any revaluation increase arising on the revaluation of such property is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such property is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.5 Depreciation

Depreciation on revalued property is recognised in profit or loss and the surplus on the revalued property is transferred annually from property revaluation reserve to retained earnings. The amount transferred is computed on the difference between depreciation based on the revalued amount of the asset and depreciation based on the asset's original cost.

No depreciation is provided on furniture and equipment under renovation work-in-progress, until the project has been completed or intended for use. Depreciation on property, plant and equipment is recognised so as to write off the cost or revalued amount of the assets less their residual values over their useful lives, using the straight-line method as follows:

Building	2.5%
Furniture and equipment	20%
Computer equipment	33.33%
Motor vehicles	6 years
Plant and machinery and motor vehicles under operating leases	depreciated over the lease terms

3.6 Intangible asset and amortisation

Computer software is stated at cost less accumulated amortisation. Amortisation of computer software is calculated to write off its cost on a straight line basis over its estimated useful life of 3 to 6 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Investment in subsidiary

In the Company's financial statements, investment in subsidiary is stated at cost. The carrying amount is reduced if there is any indication of impairment in value.

3.8 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decision of the investee but is not control or joint control over these policies.

Investments in associates are accounted for at cost in the company's account and under the equity method in the Group accounts. The Group's share of the associates' profit or loss and other comprehensive income for the year is recognised in the statement of profit or loss and other comprehensive income and the Group's interest in the associates are carried in the statement of financial position at an amount that reflects its share of the net assets of the associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associates recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment on an annual basis as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the statement of profit or loss and other comprehensive income.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

3.9 Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Group has become party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit or loss.

Financial assets

Financial assets are classified into the following specified categories: 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Under section 24 of the Insurance Act 2005, the Company is required to maintain a deposit pledged in favour of the Financial Services Commission and statutory obligations are excluded from financial assets or liabilities as per IAS 32.AG12.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Bonds and debentures are classified as held-to-maturity investments and are recorded at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Listed shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income and accumulated in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is transferred to profit or loss for the year.

Available-for-sale investments which do not have a quoted market price and whose fair value cannot be reliably measured, are carried at cost, less any impairment loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, mortgage and other loans, amounts due from group companies, claims recoverable from reinsurers and finance lease receivables) are measured at amortised cost using the effective interest method, less any impairment. Trade receivables originated by the Group are stated at cost less provision for doubtful debts. An estimate of doubtful debts is made based on a review of all outstanding amounts at end of the reporting period. Debts are written off during the year in which they are identified. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 80 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

Impairment of financial assets (continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period. For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss 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. In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities (including trade and other payables, loans, deposits from customers and gross outstanding claims) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3.11 Leases

Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The other leases are classified as operating lease.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Operating lease

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.12 Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is charged to the statement of profit or loss.

3.13 Provision for unearned premiums

The provision for unearned premiums represents that part of the written premiums on short-term insurance contracts, gross of commission payable to intermediaries, that is estimated to be earned in subsequent periods. Unearned premiums are computed on $1/24^{th}$ method. The change in the provision is recorded in the statement of profit or loss and other comprehensive income to recognise revenue over the period of the risk. The provision is derecognised when the contract expires, is discharged or cancelled.

3.14 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods but it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Taxation (continued)

(ii) Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the statement of profit or loss and other comprehensive income.

3.15 Retirement benefits obligations

Defined benefit pension plan

The Company contributes to a defined benefit pension plan operated by its holding Company, Ireland Blyth Limited. Contributions to the pension plan are charged to the statement of profit or loss and other comprehensive income in the period in which they fall due.

State plan and defined contribution pension plan

Contributions to the National Pension Scheme and defined contribution pension plan are expensed to the statement of profit or loss and other comprehensive income in the period in which they fall due.

3.16 Outstanding claims

Outstanding claims represent the estimated liability for claims reported plus losses incurred but not yet reported and the related loss adjustment expenses. Claims and loss adjustment expenses are charged to the statement of profit or loss and other comprehensive income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claim settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company. The liability for losses and loss adjustment expenses is determined using "case basis" evaluations and statistical analysis, and represents an estimate of the ultimate net cost of all losses incurred but not paid at the end of the reporting period. Although considerable variability is inherent in such estimates, management believes that the liability for unpaid losses and loss adjustment expenses is adequate. These estimates are continually reviewed and adjusted as necessary, such adjustments are reflected in current operations.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Salvage and subrogation reimbursements

Some insurance contracts permit the company to sell property acquired in settling a claim (i.e. Salvage). The Company may also have the right to sue third parties for payment of some or all the costs incurred (i.e subrogation). Estimate of salvage recoveries are included as allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled.

3.18 Liability adequacy

At the end of each reporting period the Company performs a liability adequacy test on its insurance liabilities to ensure that the carrying value is adequate, using current estimates of future cash flows, taking into account the relevant investment return. If that assessment shows that the carrying amount of the liabilities is inadequate, any deficiency is recognised as an expense to the statement of profit or loss and other comprehensive income by recognising an additional liability for claims provisions or recognising a provision for unexpired risks. The unexpired risks provision is assessed in aggregate for future business classes which are managed together.

3.19 Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

3.20 Insurance contracts

Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired.

Insurance contracts issued by the Group are classified as short term insurance and reinsurance contracts. Short term insurance contracts are in respect of general insurance business.

3.21 Revenue recognition

<u>General business</u>

Gross premiums on general business excluding marine businesses are earned on a pro-rata basis over the term of the policy coverage. The movement on the provision for unearned premiums is transferred to the general insurance fund. Premiums are shown gross of commission.

Gross premiums on marine business are accounted for on an underwriting year basis and the net surplus is transferred to the general insurance fund to be released to the statement of profit or loss and other comprehensive income at the end of a period of three years.

<u>Lease business</u>

Gross earnings, which represent the income element of finance lease rentals and operating lease rentals receivable, are allocated to the relevant accounting periods covered by the leases using the actuarial method before tax.

<u>Other revenues</u>

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

Dividend income is recognised when the shareholder's right to receive payment is established.

Commission income from reinsurers is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Profit commission from reinsurers is recognised on an accrual basis.

Interest income on deposits is recognised on a time basis using effective interest method.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Reinsurance

The Group enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards reinsurance business being reinsured.

Reinsurance liabilities comprise premiums payable for outwards reinsurance contracts and are recognised as an expense when due.

Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses. Reinsurance assets are measured consistently with the amounts associated with the underlying insurance or investment contracts and in accordance with the terms of the reinsurance contract. Reinsurance is recorded as an asset unless a right of set-off exists, in which case the associated liabilities are reduced to take into account of reinsurance.

Reinsurance assets are subject to impairment testing and the carrying amount is reduced to its recoverable amount. The impairment loss is recognised as an expense in the statement of profit or loss and other comprehensive income. The asset is impaired if objective evidence is available to suggest that it is probable that the Group will not be able to collect the amounts due from reinsurers.

Gains and losses on buying reinsurance are recognised in income at the date of purchase and are not amortised.

3.23 Benefits

Benefits are recorded as an expense when they are incurred. The liabilities for benefit are recalculated at each end of the reporting period using the assumptions established at the inception of the insurance contracts.

3.24 Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.25 Cash and cash equivalents

Cash comprises cash at bank and in hand and demand deposits with the immediate holding company. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.26 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing at the end of each reporting period.

Exchange differences arising on the settlement and the retranslation of monetary items are recognised in the statement of profit or loss and other comprehensive income. For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are expressed in Mauritian rupees using exchange rates prevailing at the end of each reporting period. Their results for the period are translated into Mauritian rupees at average exchange rates for the period. The exchange differences arising from translation of the foreign operations are taken to the Group's translation reserve.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.27 Related Party

Parties are considered to be related if they have the ability, directly or indirectly, to control or exercise significant influence over the Group or the Company in making financial and operating decisions, or vice versa, or where the Group or the Company is subject to common significant influence. Related parties may be individuals or other entities.

3.28 Comparatives

Comparatives have been regrouped where necessary to align with the current year's presentation and disclosure.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES

Estimates and judgements are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant under the circumstances.

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 uncertainty inherent in the financial statements of the Group arises in respect of insurance liabilities, which include liabilities for unearned premiums and outstanding claims provision (including IBNR). In addition to the inherent uncertainty involved when estimating liabilities, there is also uncertainty as regards the eventual outcome of claims. As a result, the Group applies estimation techniques to determine the appropriate provisions.

<u>Short-term insurance</u>

(i) Claims provision

Outstanding claims provision is determined based upon knowledge of events, terms and conditions of relevant policies, on interpretation of circumstances as well as previous claims experience. Similar cases, historical claims payment trends, judicial decisions and economic conditions are also relevant and are taken into consideration.

(ii) Sensitivity analysis

The Company adopted actuarial techniques to estimate the required levels of provisions, taking into account the characteristics of the business class and risks involved.

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

4.2 Credit impairment

(a) Specific provision for credit impairment

The calculation of specific provision for credit impairment requires management to estimate the recoverable amount of each impaired asset, which is the estimated future cash flows discounted at the original effective interest rate of the lease. Where cash flows for large credits include the realisable value of collateral securing the credit, the value of such collateral is based on the opinion of independent and qualified appraisers and/or management judgement.

(b) Portfolio provision for credit impairment

The portfolio provision is estimated based upon historical patterns of losses in each component of the portfolio of leases as well as management estimate of the impact of current economic and other relevant conditions on the recoverability of the leases portfolio.

4.3 Impairment of financial assets

Determining whether financial assets are impaired requires an estimation of the future cash flows and assess where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated cash flows have been impacted. In making this estimation, the directors evaluate among other factors, the duration and the extent of the decline in the carrying of the financial asset below its cost, the financial health and near business outlook for the investee company and dividend yield. Changes in assumptions about these factors could affect the cash flow estimates, the carrying amount of the financial assets and the accounting treatment of the change in the carrying amount.

4.4 Impairment of unquoted investments

Determining whether investments are impaired requires an estimation of the value in use of the investments. In considering the value in use, the Directors have taken into account management accounts and cash flow projections. The actual results could, however, differ from the estimates.

4.5 Useful lives and residual values of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets which carry a degree of uncertainty. The directors have used historical information relating to the Group and the relevant industries in which the Group's entities operate in order to best determine the useful lives and residual values of property, plant and equipment.

5 PROPERTY, PLANT AND EQUIPMENT

	Freehold Building Rs'000	Plant and machinery Rs'000	Furniture and equipment Rs'000	Computer equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
The Group						
Cost or valuation						
At 1 July 2012	72,360	504,155	23,790	19,030	208,671	828,006
Additions	-	42,452	1,396	2,951	140,638	187,437
Renovation works in progress	-	-	7,777	-	-	7,777
Written off	-	(1,695)	(1,018)	-	-	(2,713)
Derecognised on disposal of subsidiary	-	-	(8,131)	(3,315)	(50)	(11,496)
Disposals	-	(19,394)	(140)	(221)	(17,908)	(37,663)
At 30 June 2013	**72,360**	**525,518**	**23,674**	**18,445**	**331,351**	**971,348**
Additions	-	**53,749**	**11,421**	**943**	**85,519**	**151,632**
Disposals	-	**(15,724)**	**(4,224)**	-	**(39,302)**	**(59,250)**
Revaluation adjustment	**17,010**	-	-	-	-	**17,010**
At 30 June 2014	**89,370**	**563,543**	**30,871**	**19,388**	**377,568**	**1,080,740**
Accumulated depreciation						
At 1 July 2012	3,058	152,141	12,706	14,751	55,791	238,447
Charge for the year	1,529	61,283	2,400	2,167	35,733	103,112
Written off	-	(1,695)	(1,018)	-	-	(2,713)
Derecognised on disposal of subsidiary	-	-	(2,342)	(1,810)	(12)	(4,164)
Disposals	-	(13,123)	(84)	(221)	(8,686)	(22,114)
At 30 June 2013	**4,587**	**198,606**	**11,662**	**14,887**	**82,826**	**312,568**
Charge for the year	**1,531**	**61,229**	**4,289**	**1,919**	**50,444**	**119,412**
Disposals	-	**(7,714)**	**(4,130)**	-	**(28,681)**	**(40,525)**
Revaluation Adjustment	**(6,118)**	-	-	-	-	**(6,118)**
At 30 June 2014	-	**252,121**	**11,821**	**16,806**	**104,589**	**385,337**
Net book value						
At 30 June 2014	**89,370**	**311,422**	**19,050**	**2,582**	**272,979**	**695,403**
At 30 June 2013	67,773	326,912	12,012	3,558	248,525	658,780

5 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Freehold Building Rs'000	Furniture and equipment Rs'000	Computer equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
The Company					
Cost or valuation					
At 1 July 2012	72,360	12,579	13,802	746	99,487
Additions	-	1,060	2,683	-	3,743
Renovation works in progress	-	7,777	-	-	7,777
Written off	-	(1,695)	(1,018)	-	(2,713)
Disposals	-	(140)	(221)	-	(361)
At 30 June 2013	**72,360**	**19,581**	**15,246**	**746**	**107,933**
Additions	**-**	**11,392**	**710**	**-**	**12,102**
Disposals	**-**	**(4,224)**	**-**	**-**	**(4,224)**
Revaluation adjustment	**17,010**	**-**	**-**	**-**	**17,010**
At 30 June 2014	**89,370**	**26,749**	**15,956**	**746**	**132,821**
Accumulated depreciation					
At 1 July 2012	3,058	7,858	11,789	668	23,373
Charge for the year	1,529	1,586	1,483	23	4,621
Written off	-	(1,695)	(1,018)	-	(2,713)
Disposals	-	(84)	(221)	-	(305)
At 30 June 2013	**4,587**	**7,665**	**12,033**	**691**	**24,976**
Charge for the year	**1,531**	**4,260**	**1,708**	**4**	**7,503**
Disposals	**-**	**(4,130)**	**-**	**-**	**(4,130)**
Revaluation Adjustment	**(6,118)**	**-**	**-**	**-**	**(6,118)**
At 30 June 2014	**-**	**7,795**	**13,741**	**695**	**22,231**
Net book value					
At 30 June 2014	**89,370**	**18,954**	**2,215**	**51**	**110,590**
At 30 June 2013	67,773	11,916	3,213	55	82,957

(i) The Group's and the Company's freehold building was revalued by the directors at 30 June 2014 based on a valuation carried out by an independent valuer, Gexim Real Estate Ltd, Chartered Valuation Surveyors whose valuation is in accordance with the RICS Valuation Standards. The fair value of the building has been assessed on the basis of its market value, being the estimated amount for which the property could be exchanged between knowledgeable willing parties in an arm's length transaction and taking into account the current market conditions and similar transactions undertaken by the Group in recent years. In arriving at the market value, the depreciated replacement cost approach has been used for the building which estimates the value by computing the current cost of replacing a property less any depreciation resulting from physical, functional and economic obsolescence factors.

Details of the Group's building and information about the hierarchy as at 30 June 2014

	Level 3
Building	89,370

Had the Group's building been measured on an historical cost basis, the carrying amount would have been Rs.31,002,151 (2013: Rs.31,538,968).

5 PROPERTY, PLANT AND EQUIPMENT (Continued)

(ii) The Group rents out the following plant and equipment under operating leases:

	2014			2013		
	Cost Rs'000	Accumulated depreciation Rs'000	Net book value Rs'000	Cost Rs'000	Accumulated depreciation Rs'000	Net book value Rs'000
Plant and machinery	570,000	258,576	311,424	461,115	133,739	327,376
Motor vehicles	375,624	103,465	272,159	329,971	81,880	248,091
	945,624	362,041	583,583	791,086	215,619	575,467

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	2014			2013		
	Plant and machinery Rs'000	Motor vehicles Rs'000	Total Rs'000	Plant and machinery Rs'000	Motor vehicles Rs'000	Total Rs'000
Within 1 year	77,441	68,806	146,247	81,980	56,829	138,809
In 2 to 5 years	138,250	169,366	307,616	151,665	152,278	303,943
After 5 years	5,866	450	6,316	206	722	928
	221,557	238,622	460,179	233,851	209,829	443,680

Operating lease contracts contain market review clauses. The lease terms vary between 5 and 6 years with an option for renewal.

(iii) None of the property, plant and equipment were pledged as at 30th June 2014 and 2013.

6 INTANGIBLE ASSETS

	The Group Rs'000	The Company Rs'000
Computer software		
Cost or valuation		
At 1 July 2012	32,262	19,717
Additions	2,745	1,654
Derecognised on disposal of subsidiary	(9,459)	-
At 30 June 2013	**25,548**	**21,371**
Additions	**3,242**	**3,218**
At 30 June 2014	**28,790**	**24,589**
Accumulated depreciation		
At 1 July 2012	21,234	17,241
Charge for the year	1,484	1,246
Derecognised on disposal of subsidiary	(134)	-
At 30 June 2013	**22,584**	**18,487**
Charge for the year	**1,463**	**1,406**
At 30 June 2014	**24,047**	**19,893**
Net book value		
At 30 June 2014	**4,743**	**4,696**
At 30 June 2013	2,964	2,884

At 30th June 2014, the estimated remaining useful life of computer softwares ranges from 1 to 4.7 years for both the Group and the Company (2013: 1 to 5.5 years for both the Group and the Company).

7 INVESTMENT IN SUBSIDIARY

(a) Unquoted investment at cost

	The Company	
	2014 Rs'000	2013 Rs'000
At 1 July	**102,000**	127,000
Transfer to investments in associates (Note 8)	-	(7,500)
Disposal (Note 41)	-	(17,500)
At 30 June	**102,000**	102,000

The directors consider that the cost of the investment approximate its market value.

7 INVESTMENT IN SUBSIDIARY (Continued)

(b) Details of Group's subsidiary at end of reporting period

Name of subsidiary	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			2014	2013
Mauritian Eagle Leasing Company Limited	Leasing and deposit taking	Mauritius	**51%**	51%

(c) Details of non-wholly owned subsidiary that has material non-controlling interest

Name of subsidiary	Proportion of ownership interest and voting power held by non-controlling interest		(Loss)/profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2014	2013	**2014 Rs'000**	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Mauritian Eagle Leasing Company Limited	**49%**	49%	**(238)**	116	**99,183**	99,421

(d) Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2014	2013
	Rs'000	Rs'000
Mauritian Eagle Leasing Company Limited		
Current assets	**1,157,332**	759,849
Non-current assets	**1,519,789**	1,635,316
Current liabilities	**(1,360,236)**	(1,318,461)
Non-current liabilities	**(1,114,469)**	(873,803)
Equity attributable to owners of the Company	**202,416**	202,901

7 INVESTMENT IN SUBSIDIARY (Continued)

(d) Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (continued)

	2014 Rs'000	2013 Rs'000
Revenue	**282,632**	263,850
Expenses	**(283,117)**	(263,571)
(Loss)/profit for the year	**(485)**	279
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**(485)**	279
(Loss)/profit attributable to owners of the Company	**(247)**	163
(Loss)/profit attributable to the non-controlling interests	**(238)**	116
(Loss)/profit for the year	**(485)**	279
Total comprehensive income attributable to owners of the Company	**(247)**	163
Total comprehensive income attributable to the non-controlling interests	**(238)**	116
Total comprehensive income for the year	**(485)**	279
Dividend paid to non-controlling interests	**-**	-
Net cash inflow from operating activities	**427**	198
Net cash outflow from investing activities	**(124)**	(168)
Net cash inflow/(outflow) from financing activities	**61**	(34)
Net cash inflow/(outflow) from financing activities	**364**	(4)

8 INVESTMENT IN ASSOCIATES

(a) Unquoted investment

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
At 1 July	**54,837**	25,961	**13,813**	6,313
Addition/Transfer from investment in subsidiaries (Note 7)	**-**	21,300	**-**	7,500
Share of profit net of tax	**8,914**	5,521	**-**	-
Dividend	**(4,040)**	(3,800)	**-**	-
Translation difference	**153**	5,855	**-**	-
At 30 June	**59,864**	54,837	**13,813**	13,813

(b) Details of Group's associates at end of reporting period

Name of associates	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			2014	2013
H Savy Insurance Company Ltd	General and life insurance business	Seychelles	**20%**	20%
Metropolitan Life (Mauritius) Ltd	Life assurance and pension	Mauritius	**30%**	30%

8 INVESTMENT IN ASSOCIATES (Continued)

(c) Summarised financial information in respect of the Group's associates is set out below:

	H Savy Insurance Company Ltd		Metropolitan Life (Mauritius) Ltd	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Current assets	**286,197**	256,235	**302,764**	224,021
Non-current assets	**110,706**	92,825	**508,626**	513,159
Current liabilities	**(90,422)**	(65,491)	**(73,993)**	(21,106)
Non-current liabilities	**(115,745)**	(115,884)	**(665,007)**	(645,074)
Equity attributable to owners of the Company	**190,736**	167,685	**72,390**	71,000

	H Savy Insurance Company Ltd		Metropolitan Life (Mauritius) Ltd	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Revenue	**387,344**	334,596	**148,928**	166,526
Profit for the year	**42,486**	27,605	**1,390**	-
Other comprehensive income for the year	**-**	-	**-**	-
Total comprehensive income for the year	**42,486**	27,605	**1,390**	-
Dividend received from associates	**4,040**	3,800	**-**	-

Reconciliation of summarised information to carrying amount of the interest in associate recognised in the consolidated financial statements.

	H Savy Insurance Company Ltd		Metropolitan Life (Mauritius) Ltd	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Net assets of the associate	**190,736**	167,685	**72,390**	71,000
Proportion of the Group's ownership interest in the associate	**20%**	20%	**30%**	30%
Carrying amount of the Group's interest in the associate	**38,147**	33,537	**21,717**	21,300

9 STATUTORY AND OTHER DEPOSITS

	2014 Total Rs'000	2013 Total Rs'000
The Group and Company		
At 1 July	**8,000**	9,000
Redemption	**-**	(1,000)
At 30 June	**8,000**	8,000
Analysed as:		
Non-current	**6,000**	8,000
Current	**2,000**	-
	8,000	8,000

(i) The statutory deposits are pledged in favour of the Financial Services Commission.

(ii) The statutory and other deposits earn interest at rates varying from 4.05% to 5.00% per annum (2013: 4.55% to 6.50% per annum) with maturity dates varying from June 2015 to August 2016.

10 FINANCIAL ASSETS

	2014				2013
	Available-for-sale securities		Held to maturity	Total	Total
	At fair value Rs'000	At Cost Rs'000	Rs'000	Rs'000	Rs'000
The Group					
At 1 July	**115,796**	**3,673**	**116,496**	**235,965**	492,350
Additions	**139,424**	**98,762**	**101,000**	**339,186**	138,551
Disposals	**(61,100)**	**-**	**(16,536)**	**(77,636)**	(48,925)
Derecognised on disposal of subsidiary	**-**	**-**	**-**	**-**	(361,745)
Change in fair value	**8,330**	**-**	**(1,218)**	**7,112**	15,734
At 30 June	**202,450**	**102,435**	**199,742**	**504,627**	235,965
Net proceeds on disposals	**59,617**	**-**	**14,554**	**74,171**	47,671
The Company					
At 1 July	**115,796**	**3,673**	**116,496**	**235,965**	178,738
Additions	**139,424**	**98,762**	**101,000**	**339,186**	67,142
Disposals	**(61,100)**	**-**	**(16,536)**	**(77,636)**	(18,342)
Change in fair value	**8,330**	**-**	**(1,218)**	**7,112**	8,427
At 30 June	**202,450**	**102,435**	**199,742**	**504,627**	235,965
Net proceeds on disposals	**59,617**	**-**	**14,554**	**74,171**	18,966

Held-to-maturity (HTM) investments are unquoted and are made up of debentures, bank bonds and structured notes bearing interest rate varying from 6.00% to 10.00% (2013: 8.15% to 10.00%) with maturity date varying from 2016 to 2024 respectively. The directors have reviewed the carrying amount on HTM and are of the opinion there is no objective evidence of impairment.

Available-for-sale financial assets comprise of quoted and unquoted securities and units. The fair value is based on the Stock Exchange and brokers' statement prices at the close of business at the end of the reporting period.

11 FINANCE LEASE RECEIVABLES

(a) Movement during the year

	The Group	
	2014	2013
	Rs'000	Rs'000
At 1 July	**1,497,879**	1,318,154
Leases granted during the year	**432,546**	590,606
Capital movement during the year	**(457,387)**	(410,881)
	1,473,038	1,497,879
Less allowance for credit losses	**(69,082)**	(54,913)
	1,403,956	1,442,966
Present value of the minimum lease payments	**1,473,038**	1,497,879
Analysed as:		
Non-current	**999,944**	1,087,876
Less allowance for credit losses	**(65,015)**	(28,463)
	934,929	1,059,413
Current	**473,094**	410,003
Less allowance for credit losses	**(4,067)**	(26,450)
	469,027	383,553
	1,403,956	1,442,966

All finance lease receivables are secured over the assets leased and in some cases additional guarantees are taken from the clients for the facility availed.

The average lease term is 5 to 7 years and the effective interest rate on finance leases is approximately 8.25% (2013: 8.75%) and is fixed at the contract date for the entire lease term.

Before granting lease to clients, the subsidiary uses a credit scoring system to assess the potential client's credit quality and profile. Upon satisfactory scoring and submission of all necessary documents, the lease is granted.

There is no individual client which accounts for more than 10% of the total portfolio of the subsidiary. The largest client currently accounts for 3% (2013: 3%) of the total lease portfolio.

The maximum exposure to credit risk of finance lease receivables for the current and prior periods is the carrying amount net of allowance for credit losses.

	The Group	
	2014	2013
	Rs'000	Rs'000
Ageing of past due debt but not impaired		
90 days – 180 days	**18,440**	30,226
Over 180 days	**26,905**	51,979
	45,345	82,205
Ageing of impaired past due debt		
Over 180 days	**85,964**	66,463

Movement in the allowance of credit losses

In determining the recoverability of a debt, the company considers each client on a case by case basis, taking into account any change in the credit quality of the client from the date credit was initially granted up to the recording date. The concentration of credit risk is limited due to the customer base being large and unrelated. Management is of the opinion that there is no further credit provision required in excess of the allowance for credit losses.

11 FINANCE LEASE RECEIVABLES (Continued)

(b) Net investment in finance lease before allowance for credit losses

	The Group	
	2014	2013
	Rs'000	Rs'000
Gross and net investment in finance leases:		
- within 1 year	**587,470**	513,495
- between 1 and 5 years	**1,110,194**	1,202,898
- over 5 years	**23,193**	42,644
	1,720,857	1,759,037
Less unearned finance income	**(247,819)**	(261,158)
	1,473,038	1,497,879

(c) Remaining term to maturity

	The Group	
	2014	2013
	Rs'000	Rs'000
Within 3 months	**17,305**	14,247
Over 3 to 6 months	**28,966**	11,629
Over 6 to 12 months	**36,992**	42,921
Over 1 to 5 years	**1,386,729**	1,369,919
Over 5 years	**3,046**	59,163
	1,473,038	1,497,879

(d) Credit concentration of risk by industry sectors

	The Group	
	2014	2013
	Rs'000	Rs'000
Agriculture and fishing	**293,096**	331,230
EPZ	**46,113**	60,634
Non-EPZ	**-**	2,245
Tourism	**243,466**	200,520
Transport	**123,676**	143,416
Construction	**293,280**	344,761
Financial and Business Services	**105,591**	76,852
Traders	**235,265**	178,658
Personal	**132,551**	151,671
Other	**-**	7,892
	1,473,038	1,497,879

The fair value of the finance lease receivables at 30th June 2014 is estimated at Rs.1.4bn (2013: Rs.1.5bn) based on discounted estimated future cash flows at market rate.

The fair value of the collaterals of the finance lease receivables at 30th June 2014 is estimated at Rs.1.6 bn (2013: Rs.1.6bn), based on the assets depreciated value.

The lessee has the option to purchase the asset at the end of the lease period.

The unguaranteed residual values of assets under finance leases at the end of the reporting year are estimated at Rs.23.0m (2013: Rs.24.0m).

11 FINANCE LEASE RECEIVABLES (Continued)

(e) Provision for credit losses

	The Group					
	2014			2013		
	Specific provision Rs'000	Portfolio provision Rs'000	Total provision Rs'000	Specific provision Rs'000	Portfolio provision Rs'000	Total provision Rs'000
At 1 July	39,913	15,000	54,913	27,913	14,000	41,913
Provision made during the year	16,960	-	16,960	12,000	1,000	13,000
Amount written off	(2,791)	-	(2,791)	-	-	-
At 30 June	54,082	15,000	69,082	39,913	15,000	54,913

Provision for credit losses by industry sector

	2014		2013	
	Total Provision Rs'000	Ageing of impaired non-performing leases	Total Provision Rs'000	Ageing of impaired non-performing leases
The Group				
Agriculture and fishing	11,870	18,348	9,145	10,873
EPZ	461	-	628	-
Tourism	5,605	3,614	2,112	702
Transport	7,712	6,938	8,608	8,857
Construction	26,804	35,534	18,019	27,870
Financial and Business Services	3,347	4,125	769	-
Traders	11,241	16,100	13,124	14,879
Personal	2,042	1,305	2,429	3,282
Other	-	-	79	-
	69,082	85,964	54,913	66,463

(f) Credit facilities to related parties

	The Group	
	2014 Rs'000	2013 Rs'000
Net investment in finance leases granted to related parties		
At 1 July	53,657	39,791
Lease granted during the year	16,352	34,897
Capital repayments during the year	(19,885)	(21,031)
At 30 June	50,124	53,657

12 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Trade receivables	222,239	191,095	222,239	191,095
Amounts due by ceding companies	37,784	5,470	37,784	5,470
Other receivables	160,159	181,252	40,051	8,803
	420,182	377,817	300,074	205,368

The average credit period on sales of insurance premiums of the Company is 76 days (2013: 80 days) and no interest is charged on the trade receivables from the date the debit note is issued.

Before accepting any new customer, the company's credit control department assesses the potential customer's credit quality and define terms and credit limits for the customer. Of the trade receivables balance at the end of the year, Rs.6.6m (2013: Rs.4.7m) is due by the Group holding company, Ireland Blyth Limited, the Group's largest customer and there are no other customers who represent more than 10% of the total balance of trade receivables.

	The Group and Company	
	2014 Rs'000	2013 Rs'000
Ageing of past due but not impaired:		
91-120 days	29,850	25,319
Over 120 days	37,417	13,536
	67,267	38,855
Movement in the allowance for doubtful debt		
Impairment losses recognised on receivables	5,224	-

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk relating to trade receivable is limited due to the customer base being large and unrelated. The Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

	The Group and Company
	2014 Rs'000
Age of impaired receivables	
Over 120 days	5,224

13 AMOUNTS DUE FROM GROUP COMPANIES

	The Group and Company	
	2014	2013
	Rs'000	Rs'000
Amount due from immediate holding company	**7,277**	2,681
Deposit with immediate holding company	**101,372**	192,469
	108,649	195,150

(i) The amount due from the immediate holding company is unsecured, interest free and does not have fixed terms of repayment.

(ii) The deposit with the immediate holding company is unsecured, bears interest at 5.10% per annum (2013: 5.60% per annum) and does not have fixed terms of repayment.

14 OUTSTANDING CLAIMS

	2014			2013		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
The Group and the Company						
Continuing operations						
Claims notified	**321,031**	**(163,581)**	**157,450**	203,977	(66,195)	137,782
Claims incurred but not reported	**41,000**	**-**	**41,000**	23,000	-	23,000
At 1 July	**362,031**	**(163,581)**	**198,450**	226,977	(66,195)	160,782
Increase in liabilities (Note 26)	**325,191**	**(67,784)**	**257,407**	360,131	(130,144)	229,987
Cash (paid)/received for claims settled in the year	**(321,131)**	**77,443**	**(243,688)**	(225,077)	32,758	(192,319)
At 30 June	**366,091**	**(153,922)**	**212,169**	362,031	(163,581)	198,450
Analysed as:						
Claims notified	**315,491**	**(153,922)**	**161,569**	321,031	(163,581)	157,450
Claims incurred but not reported	**50,600**	**-**	**50,600**	41,000	-	41,000
	366,091	**(153,922)**	**212,169**	362,031	(163,581)	198,450

15 STATED CAPITAL

	The Group and Company	
	2014	**2013**
	Rs'000	Rs'000
Issued and fully paid		
7,999,998 ordinary shares of Rs10 each	**80,000**	80,000

The issued and fully paid shares carry one vote per share and a right to dividend.

16 OTHER RESERVES

	The Group	
	2014	2013
	Rs'000	Rs'000
At 1 July	**2,388**	2,346
Transfer from statement of profit or loss and other comprehensive income	-	42
At 30 June	**2,388**	2,388

In compliance with Section 21 of the Banking Act 2004, a reserve account representing a minimum of 15% of profit after tax for the year in respect of Mauritian Eagle Leasing Company Limited has been maintained.

17 GENERAL INSURANCE FUND

	The Group and Company		
	2013		
	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000
At 1 July 2012	240,637	(22,853)	217,784
Increase in the year	32,832	(10,363)	22,469
At 30 June 2013	273,469	(33,216)	240,253
Increase in the year	31,335	(2,079)	29,256
At 30 June 2014	**304,804**	**(35,295)**	**269,509**

18 LIFE INSURANCE FUND

	The Group
	2013
	Rs'000
At 1 July	597,511
Transfer from income statement	20,312
Derecognised on disposal of subsidiary	(617,823)
At 30 June	-

19 LOANS

	The Group	
	2014	2013
	Rs'000	Rs'000
Non current		
Loans repayable after more than 1 year but less than 5 years	**73,945**	29,397
Current		
Loans repayable within 1 year	**32,192**	15,684
	106,137	45,081

The loans have been taken by Mauritian Eagle Leasing Company Limited under the Leasing Equipment Modernisation Scheme from the State Investment Corporation to finance small and medium enterprises, bearing interest varying from 0.75% to 4.25% per annum (2013: 5.00% per annum) and are repayable from 3 to 6 years.

20 DEPOSITS FROM CUSTOMERS

	The Group	
	2014	2013
	Rs'000	Rs'000
Time deposits with remaining term to maturity:		
Non-current		
After 1 and before 5 years	**1,037,528**	831,239
After 5 years	**2,500**	2,500
	1,040,028	833,739
Current		
Within 3 months	**418,011**	481,473
After 3 and before 6 months	**206,015**	300,141
After 6 and before 12 months	**630,889**	465,605
	1,254,915	1,247,219
	2,294,943	2,080,958

The time deposits bear interest at rates varying from 4.25% and 12.50% per annum (2013: 4.50% and 12.50% per annum).

21 DEFERRED TAX LIABILITIES

Deferred taxation is calculated on all temporary differences under the liability method at the rate of 15% (2013: 15%). The movement on deferred tax account is as follows:

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
At 1 July	**12,046**	11,980	**3,766**	3,657
Deferred tax liability arising from gain on revaluation of property	**3,469**	-	**3,469**	-
Recognised in equity	**(88)**	(88)	**(88)**	(88)
Recognised in profit or loss	**(10,019)**	154	**152**	197
At 30 June	**5,408**	12,046	**7,299**	3,766

	Opening balance Rs'000	Recognised in profit or loss Rs'000	Recognised in other comprehensive income Rs'000	Recognised in equity Rs'000	Closing balance Rs'000
The Group					
2014					
Revaluation of property	**3,222**	**-**	**3,469**	**(88)**	**6,603**
Tax losses	**-**	**(10,171)**	**-**	**-**	**(10,171)**
Accelerated capital allowances	**8,824**	**152**	**-**	**-**	**8,976**
	12,046	**(10,019)**	**3,469**	**(88)**	**5,408**
2013					
Revaluation of property	3,310	-	-	(88)	3,222
Accelerated capital allowances	8,670	154	-	-	8,824
	11,980	154	-	(88)	12,046
The Company					
2014					
Revaluation of property	**3,222**	**-**	**3,469**	**(88)**	**6,603**
Accelerated capital allowances	**544**	**152**	**-**	**-**	**696**
	3,766	**152**	**3,469**	**(88)**	**7,299**
2013					
Revaluation of property	3,310	-	-	(88)	3,222
Accelerated capital allowances	347	197	-	-	544
	3,657	197	-	(88)	3,766

22 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Amounts due to reinsurers	**92,815**	79,179	**92,815**	79,178
Interest payable on deposits	**51,171**	39,281	**-**	-
Other payables	**55,406**	50,581	**33,609**	34,360
	199,392	169,041	**126,424**	113,538

(i) The Group has financial risk management policies in place to ensure that all payables are paid with the credit timeframe.
(ii) The carrying amounts of trade and other payables approximate their fair values.
(iii) No interest is charged on trade and other payables.

23 TAXATION

Income tax is calculated at the rate of 15% (2013: 15%) on the profit for the year as adjusted for income tax purposes for both the company and its subsidiary.

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
(i) Current tax liabilities				
At 1 July	**3,927**	5,836	**3,927**	5,836
Charge for the year	**13,693**	14,290	**13,693**	14,290
Under provision in previous year	**777**	-	**777**	-
Amount paid during the year	**(15,484)**	(16,199)	**(15,484)**	(16,199)
At 30 June	**2,913**	3,927	**2,913**	3,927
(ii) Charge to statement of profit or loss and other comprehensive income				
Current tax liabilities	**13,693**	14,290	**13,693**	14,290
Under provision in previous year	**777**	-	**777**	-
Deferred tax movement (Note 21)	**(10,107)**	66	**64**	109
	4,363	14,356	**14,534**	14,399

(iii) Tax reconciliation

The tax on the Group's and the Company's profit before tax differs from the theoretical amount that arises using the basic tax rate of the Group and the Company as follows:

Continuing activities				
Profit before taxation	**80,323**	131,764	**86,104**	127,239
Tax calculated at 15%	**12,048**	19,765	**12,916**	19,086
Tax effect of:				
Income not subject to tax	**(860)**	(5,998)	**(860)**	(5,354)
Allowance for credit losses	**(17,240)**	(6,137)	**-**	-
Under provision of current tax in previous year	**777**	-	**777**	-
Underprovision of deferred tax in previous year	**6,187**	3,073	**64**	109
Tax loss expired	**-**	1,008	**-**	-
Expenses not deductible for tax purposes	**3,451**	2,645	**1,637**	558
	4,363	14,356	**14,534**	14,399

24 INVESTMENT INCOME

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Continuing operations				
Interest income				
Bank deposits	**751**	732	**751**	732
Loans and receivables	**20,219**	22,069	**20,219**	22,069
Held-to-maturity investments	**14,297**	15,194	**11,278**	7,382
	35,267	37,995	**32,248**	30,183
Investment income				
Dividend from available for sale investments	**3,973**	3,027	**3,973**	3,027
Dividend from associate	**-**	-	**4,040**	3,801
	3,973	3,027	**8,013**	6,828
Total	**39,240**	41,022	**40,261**	37,011

Investment revenue earned on financial assets, analysed by category of asset, is as follows:

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Continuing operations				
Available-for-sale financial assets	**3,973**	3,027	**3,973**	3,027
Loans and receivables (including cash and bank balances)	**20,970**	22,801	**20,970**	22,801
Associate	**-**	-	**4,040**	3,801
Held-to-maturity investments	**14,297**	15,194	**11,278**	7,382
	39,240	41,022	**40,261**	37,011

25 OTHER INCOME

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Continuing operations				
Profit on disposal of property, plant and equipment	**-**	27	**55**	27
Profit on disposal of financial assets	**2,162**	1,022	**2,162**	1,022
Net foreign exchange gains	**-**	1,205	**-**	1,205
Administration fees	**3,060**	3,078	**3,060**	3,078
Others	**5,033**	6,979	**4,943**	3,249
	10,255	12,311	**10,220**	8,581

26 BENEFITS AND CLAIMS

	2014			2013		
	Gross Rs'000	**Reinsurance Rs'000**	**Net Rs'000**	Gross Rs'000	Reinsurance Rs'000	Net Rs'000
The Group and the Company						
Continuing operations						
Net claims incurred (Note 14)	**325,191**	**(67,784)**	**257,407**	360,131	(130,144)	229,987

27 ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Continuing operations				
Administrative expenses include:				
Staff costs	**70,349**	63,031	**57,673**	50,546
Depreciation and amortisation	**120,875**	103,260	**8,908**	5,867
Net impairment loss on finance lease receivables	**16,690**	13,000	**-**	-
Donations	**20**	55	**1**	55
Corporate social responsibility contribution	**1,917**	1,842	**1,917**	1,842
Loss on disposal of property, plant and equipment	**3,074**	-	**-**	-
Net foreign exchange losses	**6**	-	**307**	-

28 FINANCE COSTS

	The Group	
	2014 Rs'000	2013 Rs'000
Continuing operations		
Interest on deposits from customers	**134,993**	124,363
Interest on loans	**3,618**	7,071
	138,611	131,434

29 EARNINGS PER SHARE

Earnings per share is based on profit after taxation attributable to owners of the Company of Rs.76,197,946 (2013: Rs.117,249,204) for the Group and on 7,999,998 shares in issue for the year ended 30th June 2014.

30 DIVIDENDS

	The Group and Company	
	2014 Rs'000	2013 Rs'000
Final dividend in respect of the previous year Rs2.40 (2012: Rs1.30) per share	**19,200**	10,400
Interim dividend in respect of the current year Rs1.10 (2013: Rs1.10) per share	**8,800**	8,800
	28,000	19,200

The final dividend of Rs 2.40 per share amounting to Rs 19,199,995 in respect of the year ended 30th June 2013 was declared by the directors on 26th September 2013 and paid.

The interim dividend of Rs 1.10 per share amounting to Rs 8,799,998 in respect of the year ended 30th June 2014 was declared by the directors on 12th February 2014 and paid.

31 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Cash in hand	**4**	4	**4**	4
Balances with banks	**704,313**	523,285	**136,276**	319,493
	704,317	523,289	**136,280**	319,497
Deposit with immediate holding company (Note 13)	**101,372**	192,469	**101,372**	192,469
	805,689	715,758	**237,652**	511,966

Included in balances with banks of the Group are short term deposit which bears fixed interest rates ranging from 4.25% to 5.25% per annum (2013: 4.25% to 4.65% per annum). The maturity dates of the short term deposits range from July 2014 to June 2015.

32 RETIREMENT BENEFIT OBLIGATIONS

(a) Defined benefit plan

Ireland Blyth Limited (IBL) operates a group defined benefit plan for some of its employees within IBL and its subsidiaries (the group) and the plan is wholly funded. The benefits are based on final salary and the plan provides for a pension at retirement and a benefit on death or disablement in service before retirement.

Though the risks are shared between the entities, there is no contractual agreement or stated policy for charging the defined benefit cost to the individual entities and IBL is the legal sponsoring employer of the plan.

As from 1st July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

The assets of the funded plan are held independently and administered by The Anglo-Mauritius Assurance Society Ltd.

The pension plan typically exposes the group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.
Interest risk	If the Bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.
Longevity risk	The liabilities disclosed are based on the mortality tables A 67/70 and PA(92). Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.
Salary risk	If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

32 RETIREMENT BENEFIT OBLIGATIONS (Continued)

(a) Defined benefit plan (Continued)

	2014 Rs'000	2013 Rs'000
Amounts recognised in the statements of financial position:		
Present value of defined benefit obligation	**1,055,646**	1,077,399
Present value of unfunded obligation	**-**	-
Fair value of plan assets	**(606,048)**	(564,634)
Liability recognised in statement	**449,598**	512,765

	2014 Rs'000	2013 (Restated) Rs'000
Movement in the liability recognised in the statement of financial position:		
At 1 July		
- As previously reported	**141,361**	119,771
- Prior year adjustment	**371,404**	186,539
- As restated	**512,765**	306,310
On acquisition of a subsidiary	**-**	-
Amount recognised in profit or loss	**63,612**	45,510
Amounts recognised in other comprehensive income	**(81,433)**	193,493
Contributions and direct benefits paid	**(45,346)**	(32,548)
	(63,167)	206,455
At 30 June	**449,598**	512,765
Actual return on plan assets	**67,147**	42,926
Amounts recognised in the statement of comprehensive income:		
Current service cost	**24,818**	22,270
Net interest expense	**38,794**	23,240
Components of amount recognised in profit or loss	**63,612**	45,510
Remeasurement of the net defined benefit liability:		
Return on plan assets above interest income	**(26,137)**	8,580
Experience (gains)/losses on the liabilities	**(55,296)**	23,031
Liability loss due to change in financial assumptions	**-**	161,882
Components of amount recognised in other comprehensive income	**(81,433)**	193,493
Total	**(17,821)**	239,003

32 RETIREMENT BENEFIT OBLIGATIONS (Continued)

(a) Defined benefit plan (Continued)

	2014 Rs'000	2013 (Restated) Rs'000
Movements in the present value of the defined benefit obligations in the current year were as follows:		
At 1 July	**1,077,399**	866,755
On acquisition of a subsidiary	**-**	-
Current service cost	**19,750**	16,596
Interest cost	**79,804**	74,746
Benefits paid	**(66,011)**	(65,611)
Actuarial gains and losses arising from changes in financial assumptions	**-**	161,882
Liability experience (gains)/losses	**(55,296)**	23,031
Effect of curtailments/settlements	**-**	-
At 30 June	**1,055,646**	1,077,399
Movements in the fair value of the plan assets in the current year were as follows:		
At 1 July	**564,634**	560,445
On acquisition of a subsidiary	**-**	-
Employer contributions	**45,346**	32,548
Benefits paid	**(66,011)**	(65,611)
Return on plan assets excluding interest income	**26,137**	(8,580)
Scheme expenses	**(1,049)**	(848)
Cost of insuring risk benefits	**(4,019)**	(4,826)
Interest income	**41,010**	51,506
At 30 June	**606,048**	564,634

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

	Allocation of plan assets		Fair value of plan assets	
	2014 %	2013 %	2014 Rs'000	2013 Rs'000
Cash and cash equivalents	**6.10**	4.40	**36,969**	24,844
Equity investments categorised by industry type:				
Bank & Insurance	**15.70**	17.10	**95,150**	96,552
Industry	**1.80**	1.90	**10,909**	10,728
Investment	**9.00**	4.60	**54,544**	25,973
Leisure & Hotels	**5.00**	6.00	**30,303**	33,878
Sugar	**0.30**	1.70	**1,818**	9,599
Commerce	**2.60**	2.30	**15,757**	12,987
Transport	**0.30**	0.30	**1,818**	1,694
Others	**0.20**	-	**1,212**	-
Fixed interest instruments	**29.60**	26.70	**179,390**	150,757
Properties categorised by nature and location:				
– Commercial properties in Mauritius	**1.80**	2.20	**10,909**	12,422
Investment funds	**23.40**	28.80	**141,815**	162,615
Private Equity	**4.20**	4.00	**25,454**	22,585
Total	**100.00**	100.00	**606,048**	564,634

The assets of the pension plans are invested in the GML Pension Fund which includes a diversified portfolio of asset classes. In view of exposure to equities, we expect some volatility in the return from one year to the other.

32 RETIREMENT BENEFIT OBLIGATIONS (Continued)

(a) Defined benefit plan (Continued)

Sensitivity analysis on the defined benefit plan at 30th June 2014:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Rs'000
Discount rate	
Increase due to 1% decrease in discount rate	**110,104**
Decrease due to 1% increase in discount rate	**(110,104)**
Expected salary growth	
Increase due to 1% increase in salary growth	**31,555**
Decrease due to 1% decrease in salary growth	**(31,555)**

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Future cash flows:

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

The average duration of the benefit obligation at 30th June 2014 is 11 years for the company and 14 years for the subsidiary. This number can be analysed as follows:

- active members: 15 years;
- deferred members: 10 years; and
- retired members: 8 years.

IBL expects to make a contribution of Rs 41 million to the defined benefit plan during the next financial year. A fellow subsidiary is expected to pay Rs 2.4 million no worse off guarantee contributions in the next financial year.

32 RETIREMENT BENEFIT OBLIGATIONS (Continued)

(a) Defined benefit plan (Continued)

The principal actuarial assumptions used for accounting purposes were:

	2014	2013
Discount rate	**7.5%**	7.5%
Future long term salary increase	**6%**	6%
Future guaranteed pension increase	**0%**	0%
Average longevity at retirement age for current pensioners		
- Males	**21 years**	21 years
- Females	**24 years**	24 years
Average retirement age (ARA)	**60 years**	60 years

The most recent actuarial valuation of the pension plan was carried out at 30th June 2014 by The Anglo-Mauritius Assurance Society Ltd.

(b) State pension plan

	The Group		The Company	
	2014	2013	**2014**	2013
	Rs'000	Rs'000	**Rs'000**	**Rs'000**
National Pension Scheme contributions expensed	**1,061**	907	**906**	769

33 FINANCIAL INSTRUMENTS

Capital Risk Management

The Group manages its capital to ensure that entities in the group will be able to continue as a going concern and also comply with applicable laws and regulations while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as disclosed in note 19, and offset by cash and bank balances) and equity attributable to owners of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in notes 15 and 16).

The Group is required to maintain a minimum capital requirement under the Insurance Act 2005 and rules made by the Financial Services Commission.

Under the Insurance (General Insurance Business Solvency) Rules 2007, the minimum capital requirement for general business is the sum of capital required for statement of financial position assets as per rule 6, capital required for investment above concentration limit as per rule 7, capital required for policy liabilities as per rule 8, capital required for catastrophes as per rule 9 and capital required for reinsurance ceded under rule 10.

For the year ended 30th June 2014, the Group has satisfied the minimum capital requirements under Insurance (General Insurance Business Solvency) Rules 2007.

Mauritian Eagle Leasing Company Limited is required to maintain a minimum capital requirement under the Banking Act 2004 and the capital structure consists of issued share capital, reserves and retained earnings. For the year ended 30th June 2014, the subsidiary has complied with the regulatory requirement in respect of both its share capital and reserves.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

	The Group		The Company	
	2014	2013	**2014**	2013
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
Held-to-maturity investments	**199,742**	116,496	**199,742**	116,496
Loans and receivables	**2,086,005**	2,175,621	**561,994**	563,009
Bank and cash balances	**704,317**	523,289	**136,280**	319,497
Available-for-sale financial assets	**304,885**	119,469	**304,885**	119,469
	3,294,949	2,934,875	**1,202,901**	1,118,471
Financial liabilities				
At amortised cost	**2,966,178**	2,657,111	**492,515**	475,569

Financial risk management

The Group monitors and manages the financial risks relating to their operations through internal control procedures and written policies approved by their respective Board. These risks include credit risk, currency risk, liquidity risk, interest rate risk and market risk.

Market Risk

The Group's activities are not significantly exposed to the financial risks of changes in foreign currency exchange rates and interest rates and no derivative financial instruments have been contracted for the financial year ended 30th June 2014.

33 FINANCIAL INSTRUMENTS (Continued)

Financial risk management (Continued)

Foreign currency risk management

The Group undertakes transactions that are mostly denominated in Mauritian Rupees, hence, minimising the exposures to exchange rate risk. The currency profile of the financial assets and liabilities is summarised as follows:

	Financial assets 2014 Rs'000	**Financial liabilities 2014 Rs'000**	Financial assets 2013 Rs'000	Financial liabilities 2013 Rs'000
The Group				
Mauritian Rupees	**3,021,403**	**2,956,885**	2,772,797	2,657,111
United States Dollars	**195,244**	**7,009**	63,373	-
Euro	**45,681**	**2,284**	27,927	-
British Pounds	**379**	-	106	-
Seychelles Rupees	**1,964**	-	2,396	-
Australian Dollars	**30,278**	-	68,276	-
	3,294,949	**2,966,178**	2,934,875	2,657,111

	Financial assets 2014 Rs'000	**Financial liabilities 2014 Rs'000**	Financial assets 2013 Rs'000	Financial liabilities 2013 Rs'000
The Company				
Mauritian Rupees	**964,175**	**492,515**	983,890	475,569
United States Dollars	**187,657**	-	63,373	-
Euro	**18,448**	-	430	-
British Pounds	**379**	-	106	-
Seychelles Rupees	**1,964**	-	2,396	-
Australian Dollars	**30,278**	-	68,276	-
	1,202,901	**492,515**	1,118,471	475,569

The Group has mainly equity securities and bank deposits in foreign currencies and any fluctuation of the Mauritian rupee against those foreign currencies will affect the value of the deposits. At 30th June 2014, if the rupee had weakened/strengthened by 5% against the foreign currencies with all other variables held constant, the Group's and the Company's profit for the year would have been Rs.2,797,978 (2013: Rs.2,170,286) and Rs.1,056,978 (2013: Rs.795,436) respectively higher/lower mainly resulting from translation of deposits.

Interest rate risk management

Under short-term insurance contracts, liabilities are not directly sensitive to the level of market interest rates. Fluctuations in interest rates however impact on returns on financial instruments but is closely monitored by the investment committee through a well diversified portfolio of fixed income securities and equity investments.

The leasing subsidiary is exposed to interest rate risk which may result in a loss occurring from adverse movement in interest rates and/or mismatches in the maturity time frame of its interest bearing assets and liabilities. The risk is managed by maintaining an appropriate mix between the interest rate charged on leases and interest rate it has to pay on its obligations.

33 FINANCIAL INSTRUMENTS (Continued)

Financial risk management (Continued)

Interest rate risk management (Continued)

The sensitivity analysis has been determined based on the exposure to interest rates for financial liabilities. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the date of statement of financial position was outstanding for the whole year, except for loans where the normal repayment terms were considered. A 50 basis point increase when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group and the subsidiary's profit for the year ended 30th June 2014 would not be affected as no floating rate deposit was contracted at 30th June 2014. (2013: Rs.51,472). This is mainly attributable to the subsidiary's exposure to interest rates on its variable rate borrowings and deposits from customers.

The tables below analyse the interest rate risk exposure of the leasing subsidiary in terms of the remaining period to the next roll over or to the original maturity if not on a roll over basis.

	Interest Bearing - Term to maturity						
	Within 3 months Rs'000	3 to 6 months Rs'000	6 to 12 months Rs'000	1 to 5 years Rs'000	Over 5 years Rs'000	Non Interest bearing Rs'000	Total Rs'000
30 June 2014							
Assets							
Deposits with banks	**152,367**	**50,032**	**165,798**	-	-	**201,937**	**570,134**
Gross investment in finance leases after allowance for credit losses	**19,366**	**29,924**	**37,233**	**1,561,312**	**3,940**	-	**1,651,775**
Other assets	-	-	-	-	-	**118,171**	**118,171**
Total assets	**171,733**	**79,956**	**203,031**	**1,561,312**	**3,940**	**320,108**	**2,340,080**
Liabilities							
Deposits from customers	**424,535**	**209,844**	**641,667**	**1,067,532**	**2,536**	-	**2,346,114**
Borrowings	-	**98**	**1,093**	**104,946**	-	-	**106,137**
Other liabilities	-	-	-	-	-	**21,958**	**21,958**
Total liabilities	**424,535**	**209,942**	**642,760**	**1,172,478**	**2,536**	**21,958**	**2,474,209**

	Interest Bearing - Term to maturity						
	Within 3 months Rs'000	3 to 6 months Rs'000	6 to 12 months Rs'000	1 to 5 years Rs'000	Over 5 years Rs'000	Non Interest bearing Rs'000	Total Rs'000
30 June 2013							
Assets							
Deposits with banks	83,100	111,708	-	-	-	22,628	217,436
Gross investment in finance leases after allowance for credit losses	16,845	12,991	45,753	1,586,472	42,064	-	1,704,125
Other assets	-	-	-	-	-	171,422	171,422
Total assets	99,945	124,699	45,753	1,586,472	42,064	194,050	2,092,983
Liabilities							
Deposits from customers	482,456	310,161	473,502	851,575	2,544	-	2,120,238
Borrowings	-	-	1,216	43,866	-	-	45,082
Other liabilities	-	-	-	-	-	28,839	28,839
Total liabilities	482,456	310,161	474,718	895,441	2,544	28,839	2,194,159

33 FINANCIAL INSTRUMENTS (Continued)

Financial risk management (Continued)

Interest rate risk management (Continued)

In the above table, the subsidiary's net investment in finance leases is analysed in terms of the remaining period to maturity. The interest rates included in the lease agreements are fixed at the start of the lease.

The interest rate profile of the financial assets and financial liabilities of the Group is as follows:

	The Group Floating interest rate		The Company Floating interest rate	
	2014	2013	2014	2013
	%	%	%	%
Financial assets				
Mauritian Rupee	4.05 - 14.50	4.25 - 13.50	4.05 - 10.00	4.25 - 10.00
United States Dollar	2.90 - 6.00	3.00	3.00 - 6.00	3.00
Euro	0.06 - 6.00	6.00	0.06	-

The above comprise mainly deposits with banks and finance lease receivables.

	The Group			
	Floating interest rate		Fixed interest rate	
	2014	2013	2014	2013
	%	%	%	%
Financial liabilities				
Mauritian Rupee	-	-	4.25 - 12.50	4.50 - 12.50

Financial liabilities are made up of deposits from customers and loans.

Fair value of financial assets and liabilities

Some of the Group's and Company's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table provides information on the valuation technique(s) in determining the fair values of these financial assets and financial liabilities. The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values where fair value of financial assets and liabilities are not measured at fair value.

	Fair Value Hierarchy	Valuation Techniques	2014		2013	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
			Rs'000	Rs'000	Rs'000	Rs'000
The Group						
Financial assets						
Held-to-maturity investments	Level 3	Carrying value	200,959	199,742	115,278	116,496
Loans and receivables	Level 3	Carrying value	682,048	682,049	683,169	732,655
Finance lease receivable	Level 3	Discounted cash flow	1,440,774	1,403,956	1,455,736	1,442,966
Bank and cash balances	Level 1	Carrying value	704,317	704,317	523,289	523,289
Available-for-sale financial assets	Level 3	Carrying value	102,435	102,435	3,673	3,673
Available-for-sale financial assets	Level 1	Quoted price in an active market	194,120	202,450	108,587	115,796
			3,324,653	3,294,949	2,889,732	2,934,875
Financial liabilities						
Deposits from customers	Level 3	Discounted cash flow	2,343,560	2,294,943	2,118,278	2,080,958
Other borrowed funds	Level 3	Carrying value	105,976	105,137	45,081	45,081
Other liabilities	Level 3	Carrying value	565,258	566,098	531,074	531,072
At amortised cost			3,014,794	2,966,178	2,694,433	2,657,111

33 FINANCIAL INSTRUMENTS (Continued)

Financial risk management (Continued)

Fair value of financial assets and liabilities (Continued)

	Fair Value Hierarchy	Valuation Techniques	2014		2013	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
			Rs'000	Rs'000	Rs'000	Rs'000
The Company						
Financial assets						
Held-to-maturity investments	Level 3	Carrying value	**200,959**	**199,742**	115,278	116,496
Loans and receivables	Level 3	Carrying value	**561,994**	**561,994**	563,009	563,009
Bank and cash balances	Level 1	Carrying value	**136,280**	**136,280**	319,497	319,497
Available-for-sale financial assets	Level 3	Carrying value	**102,435**	**102,435**	3,673	3,673
Available-for-sale financial assets	Level 3	Quoted price in an active market	**194,120**	**202,450**	108,587	115,796
			1,195,788	**1,202,901**	1,110,044	1,118,471
Financial liabilities						
Other liabilities	Level 3	Carrying value	**492,515**	**492,515**	475,569	475,569
At amortised cost			**492,515**	**492,515**	475,569	475,569

Liquidity Risk Management

The Group is exposed to daily calls on its available cash resources mainly from claims arising from short term insurance contracts. The Group sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover claims and unexpected levels of demand.

The liquidity risk management of the Group rests with Finance department, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity risk of the leasing business relates to the unavailability of adequate funds for the provision of its finance lease service and meeting requirements of its depositors. In order to prevent such risk the company monitors its liquidity position on a daily basis and maintains sufficient reserves. The company fosters a good business relationship with its clients so as to encourage renewal of maturing deposits instead of cash outs. It also has its liquidity policy approved by its Board of Directors and the liquidity committee meets on a monthly basis to discuss and analyse the monthly transactions. The liquidity committee makes cash flow projection for the next month in line with its expected funding and investment requirement and other operations. Liquidity ratios are monitored and reported to the Bank of Mauritius on a weekly basis.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

33 FINANCIAL INSTRUMENTS (Continued)

Financial risk management (Continued)

Liquidity Risk Management (Continued)

Liquidity and interest risk tables (Continued)

	0-3 months Rs'000	3 months to 1 year Rs'000	1 - 2 years Rs'000	2 - 5 years Rs'000	5 + years Rs'000	Total Rs'000
The Group						
30 June 2014						
Non-interest bearing	**47,863**	**461,296**	**1,732**	**3,034**	**-**	**513,925**
Variable interest rate instruments	**-**	**-**	**-**	**-**	**-**	**-**
Fixed interest rate instruments	**424,536**	**918,895**	**497,974**	**608,312**	**2,536**	**2,452,253**
	472,399	**1,380,191**	**499,706**	**611,346**	**2,536**	**2,966,178**
30 June 2013						
Non-interest bearing	38,113	449,499	-	4,179	-	491,791
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	486,375	819,988	496,769	358,417	3,771	2,165,320
	524,488	1,269,487	496,769	362,596	3,771	2,657,111

	0-3 months Rs'000	3 months to 1 year Rs'000	1 - 2 years Rs'000	2 - 5 years Rs'000	5 + years Rs'000	Total Rs'000
The Company						
30 June 2014						
Non-interest bearing	**33,609**	**458,906**	**-**	**-**	**-**	**492,515**
30 June 2013						
Non-interest bearing	34,360	441,209	-	-	-	475,569

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to its trade receivables and finance lease receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience.

The Group structures the levels of its credit risk it accepts by placing limits on its exposure to a single counterparty or Groups of counterparty and to industry segments. Such risks are subject to annual or more frequent review. Reinsurance is used to manage credit risk. This does not, however, discharge the company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the company remains liable for the payment to the policyholder. The credit worthiness of reinsurers is considered on an annual basis by reviewing their credit rates provided by rating agencies prior to finalisation of any reinsurance contract. Although the insurance premiums due from related companies represent 22% (2012: 19%) of the trade receivable, the concentration of credit risk is limited due to the fact that it is composed of several companies and departments within the Group.

The subsidiary monitors the payment of these clients on a regular basis. To mitigate credit risk the subsidiary regularly requests update on the financial position of these clients. The lease portfolio consists of a large number of customers, spread across several business sectors and geographical areas. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience. The six most significant concentration cases of the company relate to corporate clients of the agriculture and construction business sectors. The most significant customer accounts for 3.4% (2013: 5%) of total finance lease receivable, while the remaining five account for 2.5% to 3.0% (2013: 3.0% to 4.0%) of total finance lease portfolio. The conduct Review Committee meets on a quarterly basis and reviews the exposures of significant clients.

33 FINANCIAL INSTRUMENTS (Continued)

Financial risk management (Continued)

Credit risk management (Continued)

The carrying amount of financial assets recorded in the financial statements which is net of impairment losses, represents the company's maximum exposure to credit risk without taking into account of the value of any security.

Fair value measurements recognised in the statement of financial position

The Group and the Company classify fair value measurements of its financial assets and financial liabilities at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table analyses within the fair value hierarchy of the Group's financial assets (by class) measured at fair value at 30 June:

	Available-for-sale financial assets	
	The Group and The Company	
	2014	2013
	Rs'000	Rs'000
Level 1	**202,450**	115,796

Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity price risk is mitigated by having a well-diversified portfolio of equity and unit investments in various industries and countries. Moreover certain units investments are capital-guaranteed.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 10% higher/lower:

- profit for the year ended 30th June 2014 would have been unaffected as the equity investments are classified as available-for-sale and no investments were disposed of or impaired; and
- other equity reserve for the Group and Company would decrease/increase by Rs.20,245,050 (2013: Rs.11,579,563) as a result of the changes in fair value of available-for-sale shares.

The Group's sensitivity to equity prices has not changed significantly from the prior year.

The risk under any one insurance contract is the possibility that an 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.

34 MANAGEMENT OF INSURANCE RISKS

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be (Law of large numbers). In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group 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. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Casualty Insurance

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered as a result of motor injury claims. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The Group 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. As part of our permeating and systematic risk management, our Group continually identifies and analyses the risks. Underwriting guidelines and limits clearly regulate responsibility and accountability for the whole process of acquiring and concluding insurance contracts. Compliance with the above are regularly checked. Following developments in the local and global market, appropriate measures are taken, translated without delay in corresponding underwriting guidelines if required.

Underwriting limits are thus in place to enforce appropriate risk selection criteria. For example the Group has the right to impose deductibles and it has the right to reject the payment of a fraudulent claim, as well as inviting renewals on different terms. Insurance contracts also entitle the Group to sue third parties for payment of incurred costs (i.e. subrogation).

The reinsurance arrangements are mostly excess of loss reinsurance layers in respect of casualty.

Property insurance

Frequency and severity of claims

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, cyclones, Tsunami etc.) and their consequences (for example, cyclone claims).

For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from cyclone or flood damage. The availability and cost of reinsurance are subject to prevailing market conditions, both in terms of price and availability capacity. Although the reinsurers are liable to the extent of the reinsurance ceded, the Group remains primarily liable to the policy holder as the direct insurer of all risks reinsured. The Group evaluates the financial condition of its reinsurers to minimise its exposures to losses from reinsurer insolvencies.

To the Group's knowledge, none of its reinsurers is experiencing financial difficulties. Markets have tightened their underwriting of proportional treaty programme, which have impacted on the Mauritian Insurance sector where companies were more used to traditional reinsurance and had to increase their net retention.

34 MANAGEMENT OF INSURANCE RISKS (Continued)

Property insurance (Continued)

Frequency and severity of claims (Continued)

Catastrophe protection treaties are a must to insurance companies based in Mauritius due to our constant exposure towards tropical cyclones.

The Group has reinsurance cover for such damage to accommodate our increased exposure.

Property insurance contracts are subdivided into four risk Groups: fire, business interruption, cyclone damage and other perils. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

Concentration of insurance risk (Short-term insurance)

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

	2014		2013	
	Gross Rs'000	Net Rs'000	Gross Rs'000	Net Rs'000
Class of business				
Accident	39,344	14,588	43,002	17,276
Engineering	38,665	5,404	41,088	7,388
Fire	47,468	9,279	72,630	16,956
Liability	55,658	42,122	53,311	37,687
Motor	122,585	87,803	102,906	76,573
Health	11,771	2,373	8,094	1,570
IBNR	50,600	50,600	41,000	41,000
	366,091	212,169	362,031	198,450

The company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

Sources of uncertainty in the estimation of future benefit payments

Casualty insurance

Claims on casualty contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contracts term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liabilities covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of incident.

The estimated cost of claims includes direct expenses incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

In calculating the estimated cost of unpaid claims (both reported and not), the Group estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

34 MANAGEMENT OF INSURANCE RISKS (Continued)

Sources of uncertainty in the estimation of future benefit payments (Continued)

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) are analysed by territory and type of risk where the insured operates for current and prior year premium earned.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insurer until many years after the event that gave rise to the claims has happened. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considered any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Property insurance

Property claims are analysed separately for cyclone and non-cyclone claims. The development of large losses/catastrophes is analysed separately. Non-cyclone claims can be estimated with greater reliability, and the Group estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little (Incurred but not Reported) IBNR is held at year-end.

Claims development table

The development of insurance liabilities provides a measure of the company's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

	2009 Rs'000	2010 Rs'000	2011 Rs'000	2012 Rs'000	2013 Rs'000	2014 Rs'000	Total Rs'000
At end of							
Accident year	184,197	78,331	171,292	196,063	293,709	252,322	1,175,914
1 year later	6,503	9,008	15,734	22,519	46,678	-	100,442
2 years later	1,386	132	15,945	3,775	-	-	21,238
3 years later	728	3,282	1,922	-	-	-	5,932
4 years later	(1,833)	5,348	-	-	-	-	3,515
5 years later	2,377	-	-	-	-	-	2,377
Current estimate of cumulative claims	193,358	96,101	204,893	222,357	340,387	252,322	1,309,418
Accident year	144,185	51,999	113,091	142,159	166,516	200,495	818,445
1 year later	21,213	24,903	45,843	38,648	102,720	-	233,327
2 years later	9,358	1,275	9,100	8,267	-	-	28,000
3 years later	(2,802)	2,790	2,775	-	-	-	2,763
4 years later	1,972	856	-	-	-	-	2,828
5 years later	3,376	-	-	-	-	-	3,376
Cumulative payment to date	177,302	81,823	170,809	189,074	269,236	200,495	1,088,739
	16,056	14,278	34,084	33,283	71,151	51,827	220,679
Liabilities in respect of prior years							94,812
IBNR							50,600
Total gross liabilities							366,091

35 OPERATING SEGMENTS (Continued)

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Products and services from which reportable segments derive their revenues

General insurance

General insurance includes accident, engineering, fire and allied perils, health, motor and transportation.

Leasing

Leasing consists of finance and operating leases.

Segment revenues and results

Revenue reported under segment revenues and results represents revenue generated from external customers. Inter-segment sales during the year was Rs.14,499 (2013: Rs.23,580).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of finance costs, share of profits of associates and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

	2014		
	Insurance Rs'000	Leasing Rs'000	Group Rs'000
The Group			
Gross revenue	**1,066,326**	**279,209**	**1,345,535**
Profit from operations	**111,321**	**127,955**	**239,276**
Release to general insurance fund			**(29,256)**
			210,020
Finance costs			**(138,611)**
			71,409
Share of results of associate			**8,914**
Profit before taxation			**80,323**
Taxation			**(4,363)**
Profit after taxation			**75,960**

35 OPERATING SEGMENTS (Continued)

Segment revenues and results (Continued)

	2013		
	Insurance Rs'000	Leasing Rs'000	Group Rs'000
The Group			
Gross revenue	865,506	248,447	1,113,953
Profit from operations	113,707	131,670	245,377
Release to general insurance fund			(22,469)
			222,908
Finance costs			(131,434)
			91,474
Share of results of associate			5,521
Profit before disposal of subsidiary			96,995
Gain recognised on disposal of interest in former subsidiary			34,769
Profit before taxation			131,764
Taxation			(14,356)
Profit after taxation			117,408

Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than investments in associate.
- all liabilities are allocated to reportable segments other than current tax liabilities.

	2014		
	General Rs'000	**Leasing Rs'000**	**Group Rs'000**
Segment assets	**1,326,678**	**2,677,121**	**4,003,799**
Investment in associate			**59,864**
Consolidated total assets			**4,063,663**
Segment liabilities	**499,653**	**2,472,318**	**2,971,971**

	2013		
	General Rs'000	Leasing Rs'000	Group Rs'000
Segment assets	1,213,347	2,395,165	3,608,512
Investment in associate			54,837
Consolidated total assets			3,663,349
Segment liabilities	479,280	2,189,877	2,669,157

35 OPERATING SEGMENTS (Continued)

Other segment information

The above businesses are conducted solely in Mauritius.

Other Information:

	Depreciation and amortisation		Additions to non-current assets	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
General	**8,909**	5,867	**15,320**	13,174
Leasing	**111,966**	97,394	**139,554**	183,411
Life	**-**	1,335	**-**	1,374
	120,875	104,596	**154,874**	197,959

Revenue from major products and services

The Group's revenue from its major products and services of continuing operations were as follows:

	The Group	
	2014 Rs'000	2013 Rs'000
Accident & Health	**312,955**	213,498
Engineering	**35,469**	36,388
Fire and allied perils	**271,973**	253,766
Motor	**280,691**	234,518
Transportation	**165,238**	127,336
Leasing	**279,209**	248,447
	1,345,535	1,113,953

Information about major customers

Included in revenues arising from general insurance of Rs.1,066.3m (2013: Rs.865.5m) are revenues of Rs.87.2m (2013: Rs.74.4m) which arose from sales to the Group's largest customer, Ireland Blyth Limited.

36 RELATED PARTY TRANSACTIONS

The Group is making the following disclosures in respect of related party transactions and balances.

Outstanding balances

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
(i) Receivable from related parties:				
Immediate holding company	**13,895**	7,385	**13,895**	7,385
Associate	**1,354**	1,219	**1,354**	1,219
Subsidiary	**-**	-	**161**	55
Fellow subsidiaries	**46,861**	55,618	**3,362**	6,430
Associates of immediate holding company	**9,703**	6,142	**9,703**	6,142
Subsidiaries of ultimate holding company	**70**	5,080	**70**	5,080
Associates of ultimate holding company	**16,948**	14,825	**16,948**	14,825
Directors and related parties	**6,767**	4,611	**142**	142
	95,598	94,880	**45,635**	41,278

36 RELATED PARTY TRANSACTIONS (Continued)

Outstanding balances (Continued)

	The Group		The Company	
	2014	2013	**2014**	2013
	Rs'000	Rs'000	**Rs'000**	Rs'000
(ii) Payable to related parties:				
Immediate holding company	**199**	2,326	**199**	2,326
Fellow subsidiaries	**186**	486	**186**	486
Subsidiaries of ultimate holding company	**5**	5	**5**	5
	390	2,817	**390**	2,817
(iii) Deposits with:				
Immediate holding company	**101,372**	192,469	**101,372**	192,469
(iv) Deposits from:				
Associates	**10,235**	26,098	**-**	-
Fellow subsidiaries	**4,500**	4,500	**-**	-
Subsidiaries of ultimate holding company	**347,457**	262,590	**-**	-
Directors and related parties	**13,005**	30,371	**-**	-
	375,197	323,559	**-**	-
(v) Interest receivable from:				
Immediate holding company	**968**	968	**968**	968
Associates of ultimate holding company	**910**	1,452	**910**	1,452
	1,878	2,420	**1,878**	2,420

The outstanding balances are unsecured and interest free. Deposits bear interest rate as disclosed in note 33 under interest rate risk management.

	The Group		The Company	
	2014	2013	**2014**	2013
	Rs'000	Rs'000	**Rs'000**	Rs'000
Transactions				
(i) Sales of services to:				
Immediate holding company	**87,147**	74,418	**87,147**	74,418
Subsidiary	**-**	-	**588**	449
Associates	**7,049**	13,036	**7,049**	13,036
Fellow subsidiaries	**12,695**	16,995	**12,695**	16,995
Associates of holding company	**20,969**	21,932	**20,969**	21,932
Subsidiaries of ultimate holding company	**35,269**	36,542	**35,269**	36,542
Associates of ultimate holding company	**29,394**	28,286	**29,394**	28,286
	192,523	191,209	**193,111**	191,658
(ii) Purchases of goods and services from:				
Immediate holding company	**16,351**	14,995	**10,353**	9,152
Fellow subsidiaries	**11,390**	7,852	**11,390**	7,852
Subsidiaries of ultimate holding company	**129**	162	**129**	162
Related parties	**2,762**	2,661	**-**	-
	30,632	25,670	**21,872**	17,166

36 RELATED PARTY TRANSACTIONS (Continued)

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Transactions (Continued)				
(iii) Interest income from:				
Immediate holding company	**18,005**	21,099	**18,005**	21,099
Subsidiaries of ultimate holding company	**6,769**	5,119	**6,769**	5,119
	24,774	26,218	**24,774**	26,218
(iv) Dividend income from:				
Associate	-	-	**4,040**	3,801
Associates of ultimate holding company	-	101	-	101
	-	101	**4,040**	3,902
(v) Interest paid to directors and related parties	**568**	1,053	-	-
(vi) Corporate social responsibility contribution paid to fellow subsidiary	**1,917**	1,842	**1,917**	1,842
(vii) Finance lease income from fellow subsidiaries	**4,690**	5,662	-	-
(viii) Operating lease income from fellow subsidiaries	**17,814**	30,597	-	-
(ix) Finance lease granted to related parties	**16,352**	34,897	-	-
(x) Repayment from related parties	**19,885**	21,031	-	-

Compensation of key management personnel
The remuneration of directors and other members of key management during the year were as follows:

	The Group		The Company	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Short-term benefits	**14,963**	12,954	**10,796**	8,876
Post-employment benefits	**1,048**	1,006	**691**	652
	16,011	13,960	**11,487**	**9,528**
Contribution to Ireland Blyth Limited's defined benefit pension plan				
Contribution expensed	**2,056**	2,103	**1,747**	1,810
Contribution to defined contribution pension plan				
Contributions expensed	**3,215**	2,741	**2,169**	1,752

37 ULTIMATE HOLDING COMPANY

The directors regard Ireland Blyth Limited and GML Investissement Limitée as the company's immediate holding company and ultimate holding company, both incorporated and domiciled in Mauritius.

38 COMMITMENTS FOR FUTURE LEASES

At 30th June 2014, the Group had commitments amounting to Rs.50m (2013: Rs.150m) in respect of future leases.

39 EVENT AFTER THE REPORTING DATE

The directors have declared on 25th September 2014 a final dividend of Rs 1.30 (2013: Rs 2.40) per share. The payment of this dividend will not have any tax consequences for the company.

40 DISCONTINUED OPERATION

Disposal of subsidiary

The Company entered into a sale agreement to dispose of 70% stake in Mauritian Eagle Life Company Limited which carried out the long-term business operations. The proceeds of sale substantially exceeded the carrying amount of the related net assets and, accordingly, no impairment losses were recognised. The disposal of the long-term operation is consistent with the Group's long-term policy to focus its activities in the short-term and leasing businesses. The disposal was completed on 1st January 2013, on which date control of the long-term business operation passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed below.

Statement of profit and loss and other comprehensive income of the Long-term business

	6 months ended 31-Dec-12
	Rs'000
Gross insurance premiums	91,569
Reinsurance premiums ceded	(29,449)
Net premiums	62,120
Investment income	15,936
Commission income	1,153
Other income	7,869
	87,078
Benefits and expenses	
Net benefits and claims	(34,071)
Commission paid	(10,859)
Administrative expenses	(21,836)
	(66,766)
Surplus from operations	20,312
Less transfer to Life insurance fund (Note 18)	(20,312)
	-

	6 months ended 31-Dec-12
	Rs'000
Cash flows from discontinued operation	
Net cash used in operating activities	(43,100)
Net cash used in investing activities	(5,101)
Net cash outflows	(48,201)

41 GAIN RECOGNISED ON DISPOSAL OF INTEREST IN FORMER SUBSIDIARY

Gain on disposal of long-term business subsidiary

	The Group	The Company
	2013	2013
	Rs'000	Rs'000
Consideration received	71,000	49,700
Less Net assets disposed of	(36,231)	-
Cost of investment	-	(17,500)
Gain on disposal	34,769	32,200

Analysis of asset and liabilities over which control was lost

	The Group
	2013
	Rs'000
Assets	
Property, plant and equipment	7,332
Intangible assets	9,325
Financial assets	361,745
Mortgage and other loans	134,548
Trade and other receivables	9,946
Deposit with fellow subsidiary	26,895
Amounts due from group companies	74,852
Claims recoverable from reinsurers	1,892
Bank and cash balances	72,523
	699,058
Liabilities	
Life insurance fund	(617,823)
Investment revaluation reserve	(3,264)
Trade and other payables	(37,396)
Amount due to holding company	(4,344)
Net assets disposed of	36,231

Analysis of net cash outflow on disposal of subsidiary

	The Group
	2013
	Rs'000
Deposit with fellow subsidiary	26,895
Deposit with immediate holding company	74,018
Bank and cash balances	72,523
Proceeds from sale of subsidiary	(49,700)
	123,736

42 CAPITAL COMMITMENTS

Capital Commitments contracted for but not accrued

	2014	2013
	Rs'000	Rs'000
The Group and the Company		
Renovation and work in progress	-	11,967

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PROXY FORM

I/We,..of, ...
being a member of MAURITIAN EAGLE INSURANCE COMPANY LIMITED do hereby appoint .... of, ...
or in his absence .... of, ... as my/our proxy, to vote for me/us and on my/our behalf at the **Annual Meeting** to be held on **05th December 2014** and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolution as follows:

(please vote with a tick)	For	Against	Abstain
1. To adopt the minutes of proceedings of the special meeting held on 6th December 2013.	☐	☐	☐
2. To receive and adopt the Group's and Company's financial statements for the year ended 30th June 2014 and the Directors' and Auditors' reports thereon.	☐	☐	☐
3. To appoint Mr Pieter Bezuidenhout as Director	☐	☐	☐
4. To re-elect as Directors to hold office until the next Annual Meeting by way of separate resolutions the following persons	☐	☐	☐
4.1 Mr Robert Ip Min Wan	☐	☐	☐
4.2 Me J Gilbert Ithier	☐	☐	☐
4.3 Me Subhash Lallah	☐	☐	☐
4.4 Mr Gaetan Lan Hun Kuen	☐	☐	☐
4.5 Mr Nicolas Maigrot	☐	☐	☐
4.6 Mr Alain Malliaté	☐	☐	☐
4.7 Mr Derek Wong Wan Po	☐	☐	☐
5. To re-appoint Deloitte as Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.	☐	☐	☐

Signed this .... day of 2014

....
Signature/s

Notes

1. A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his own choice (whether a member or not) to attend and vote on his behalf.
2. Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will exercise his discretion as to how he votes.
3. This form of proxy, duly signed, to be effective must reach the Company Secretary at the registered office of the Company, IBL House, Caudan, Port Louis, at least twenty-four hours before the day of the Meeting.

MAURITIAN EAGLE

An IBL Group company

Annual Report 2014

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