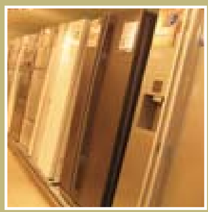
BRITISH AMERICAN INVESTMENT

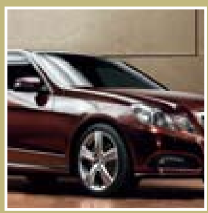
Investment in People

Annual Report
2008

Financial Services



Trade & Commerce



Transportation

Construction & Property Development

Leisure & Hospitality

Health Care

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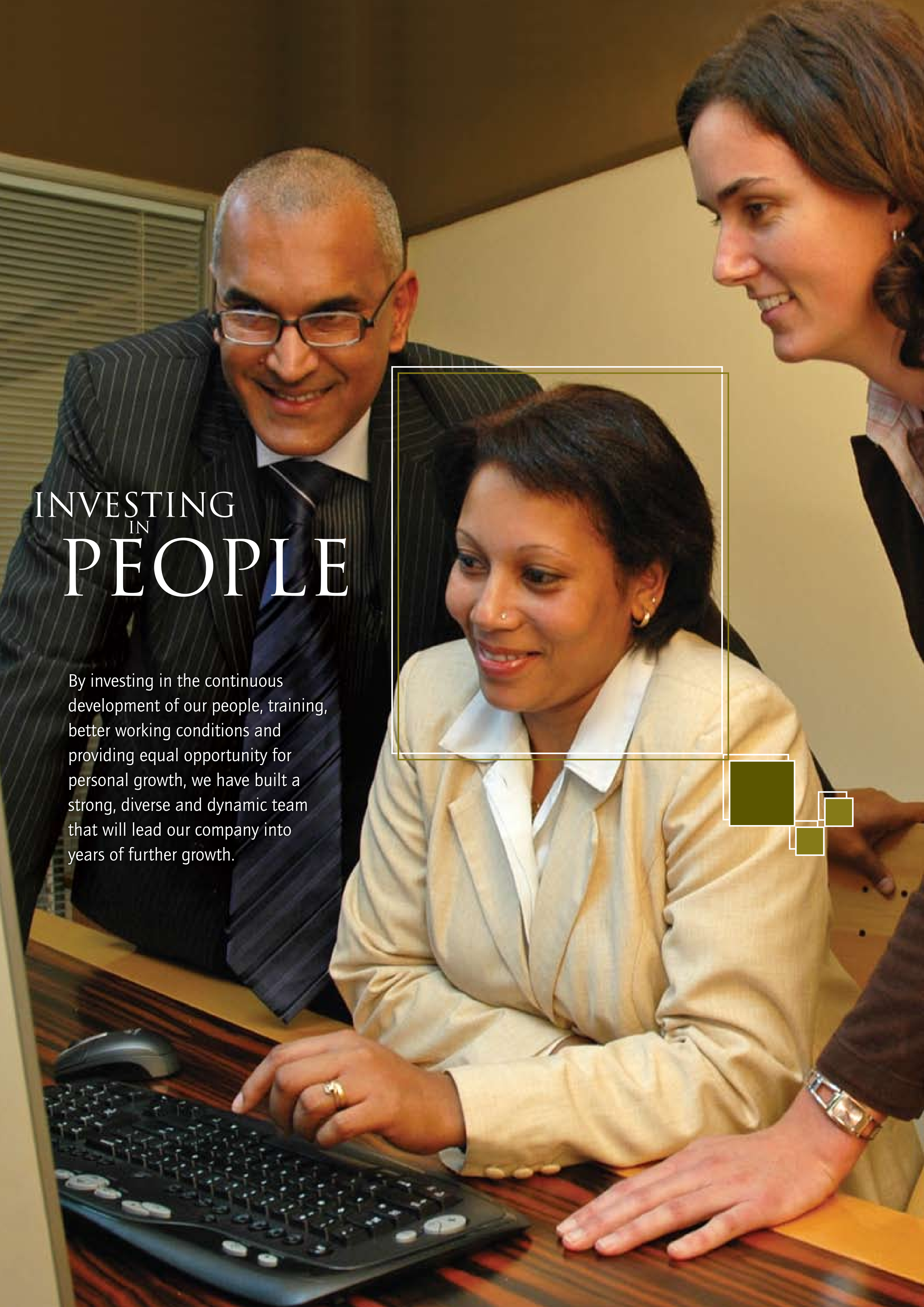


INVESTING IN PEOPLE

By investing in the continuous development of our people, training, better working conditions and providing equal opportunity for personal growth, we have built a strong, diverse and dynamic team that will lead our company into years of further growth.

Financial Highlights

25.7 billion	Total assets
13.4 billion	Gross revenues
2.91	Earnings per share
171%	Increase in Profits attributable to shareholders
258%	Increase in Profits of our Financial Services Division
1,304	Number of vehicles sold by our Transportation division
138%	Increase in Revenues of our Construction & Property Development Division
30%	Increase in Loans and advances portfolio of Bramer Banking Corporation Ltd
71%	Increase in Premium income in our Insurance operation

Denominated in Mauritian Rupees

Chairman's Statement

Highlights

2008 was a landmark year with the Group emerging as one of the largest corporations in the country, with assets of MUR 25.7 billion and more than 3,000 employees.

We have built a strong, diverse and dynamic team that will lead our company into years of further growth.

The 200-bed Apollo Bramwell Hospital will employ more than 800 mostly local healthcare professionals backed by a number of medical field specialists from India, Europe and the USA.

The returns from our international operations have greatly contributed to our success.

We strongly believe that where there are challenges, there are also opportunities.

We are pleased to report that British American Investment is now in the final phase of the major reorganisation initiated in 2007.

The tectonic shift in global economic power which we are witnessing today... is well suited to our business strategy, honed and refined over the past few years.

INVESTING WITH CLIENTS

We treat our clients as partners for our mutual benefit.

Chairman's Statement

On behalf of the Board of Directors of British American Investment Co. (Mtius) Ltd, I have the privilege to present the Annual Report and Financial Statements for the year ended December 31, 2008.

The global financial crisis and its continuing fallout have resulted in the worst worldwide economic slowdown since the Second World War. The giants of the financial services industry across the globe have tumbled and many household names have closed. The world economy as we know it has lasted over two centuries. Today, however, we are witnessing a major shift in economic power, with China, India and the Middle East stepping forward, closely followed by an impatient and thrusting South America – all of them driven forward by better education and more financial power.

WINNING STRATEGY

For our Group, 2008 was a landmark year with the realisation of our long-term investment strategy of patiently growing a strong economic base to emerge as one of the largest corporations in the country, with assets of MUR 25.7 billion and more than 3,000 employees.

Over the years we have carefully placed individual blocks of financial strength across different industries and countries, focusing on long-term profitability, stability and shareholder value. In 2008, our profits more than doubled to reach MUR 277 million.

Year in and year out we remind our constituencies that our basic and fundamental principle is to maximize our presence in all sectors of what is essentially a very small economy. To stay in only one sector is tantamount to suicide. Accordingly, we are continuing our strategy started 15 years ago to penetrate all sectors in the Mauritian economy and to aim at becoming a major player in all of them. This may be construed by some people to be against traditional business wisdom of “sticking to your knitting”. The core focus philosophy applies though to companies operating in huge economies such as the US, Europe and now China and India.

So once again we wish to re-emphasise that our strategy in Mauritius is to continue to grow horizontally and vertically. We have a track record of inventing new concepts or developing new ideas in traditional businesses. We continually think outside the box and encourage innovation and creativity. A good example is our entry into the healthcare sector. We are not just building a hospital but have started a Nursing School and a pharmaceutical division. Such moves may not have been apparent to outsiders when we first started this project, some of whom were more concerned with criticising us.

INVESTMENT IN PEOPLE

For almost 40 years since we opened in Mauritius as a branch office of a large American international insurance company, we have continuously relied on our biggest asset: PEOPLE. The key to our development was in bringing together Mauritians from all ethnic backgrounds and professionals from many countries around the world.

By investing in the continuous development of our people, training, better working conditions and providing equal opportunity for personal growth, we have built a strong, diverse and dynamic team that will lead our company into years of further growth.

From the very beginning we maintained that being close to our clients is the key to success, and indeed the very reason for our sustained growth. From a small office in Port Louis we have expanded throughout the country and now operate from more than 90 locations. Major investments in innovation, bringing products and services that suit the needs of customers from a mosaic of backgrounds and with a wide range of tastes and preferences, has been rewarded by the continued strong support of more than 150,000 clients and resulted in the tremendous growth in our revenues, which in 2008 reached MUR 13.4 billion.

GROWTH OF MAURITIUS OPERATIONS

Mauritius, of course, has not been spared the effects of the global crisis. Tourism and textiles, two of the country's economic pillars, are finding conditions challenging.

Generally, though, the economy has benefited from the structural reforms introduced by Government, making it more resilient to external elements and providing a degree of stability during this troubled period. The Government adopted a stimulus package totalling MUR 10.4 billion with the aim of shoring up the economy and reducing unemployment. Growth in the economy is now expected to be 2.5% in 2009.

Despite the economic situation, throughout our operations across six economic sectors, the people of the BA Investment Group have striven to make 2008 a year of special achievements, amongst others the increase in net cash generated from MUR 400 million in 2007 to MUR 2 billion in 2008.

In healthcare, work continued unabated on the completion of the Group's landmark project, the 200-bed Apollo Bramwell Hospital which will employ more than 800 mostly local healthcare professionals backed by a number of medical field specialists from India, Europe and the USA. Costing more than MUR 2 billion, this state-of-the-art multi-specialty medical institution under the management of our partners, the Apollo Hospitals Group - Asia's largest healthcare provider – will offer advanced treatments, some of which were previously not available in Mauritius. It will also set the stage for further development of medical tourism in Mauritius, attracting clients from the region and Europe.

The Apollo Bramwell Nursing School, managed and staffed by local and foreign health professionals, is the first private nursing school to grant a university diploma in general nursing, and will turn out 60 qualified nurses every year to ensure the long term viability of the investment in this sector.

In our core financial services business, the Group acquired the South East Asian Bank, now renamed Bramer Banking Corporation following a major rebranding exercise. The bank is gearing itself to become a serious and strong banking partner to our very broad client base. The addition of this institution to our Group has already presented the Group with new opportunities for development, with a Qatar-based business group taking a substantial stake in the bank and investing in its future expansion. In its first year of operation under our Group, Bramer Bank's client base has risen by a commendable 20%.

BAI Co (Mtius) Ltd remains the flagship of the Group. During 2008, it strengthened its position as the market leader in the life insurance sector. The company positioned itself in the heart of the Mauritian population through the unveiling of a new corporate identity. The product and service offer, based on Trust, Peace of Mind, Wealth and Reward, was aligned with the corporate philosophy "At the Centre of Life".

As the market innovator, the company again took the lead by launching BAI Takaful, the country's first insurance policy which complies with Islamic Shariah regulations. The company will launch more products during 2009 to cater for the increasing needs of the Mauritian population. BAI upgraded and extended its branch network to Flacq, Riviere des Anguilles and Beau Bassin bringing the number of branch offices to twelve.

Mauritius Leasing continued to take the lead in its sector by also launching an Islamic leasing product for both individual and corporate customers as an alternative to traditional leasing. Called Ijarah, the product has been approved by a Shari'ah board supported by local and Malaysia-based scholars who are fully versed in Islamic finance. Ijarah is the ultimate form of interest-free, asset-backed financing. It combines modern credit and financing techniques with traditional risk-reward-sharing concepts and business ethics.

The Group's construction division has undergone major developments in 2008. The most important feature and a very substantial undertaking for Ireko Construction has been the major challenge of building a very sophisticated hospital complex. This exercise has given Ireko a very new and valuable expertise which will enable the Group to export know-how to Africa, the Middle East and the region. We have also developed the capability of supplying almost everything that went into the creation of this healthcare facility. The division now comprises nine different companies providing services in construction, property development, facilities management, finishing, design and estate agency.

Courts, Arcasa and Quality Living Centre continue to dominate the market of household goods in Mauritius. In addition to its new stores in Caudan and Black River, Arcasa has substantially developed its product portfolio adding world-renowned Sealy mattresses and the Hallmark product to an already extensive list of international brands. As part of its continuous growth Courts, already a major player in the Group, opened an additional branch of Telecell, a specialised store for small electronic items and mobile phones; three more openings are planned. It also opened new Courts stores in Port Louis and Riviere des Anguilles, bringing to 16 the number in Mauritius. The division achieved a turnover of MUR 2.1 billion for 2008, an increase of 5.6% on the previous year.

Courts has progressed with its plans of expanding overseas, including East Africa and possibly India. Potential sites for a flagship store in the Kenyan capital Nairobi have already been identified.

The transportation division of the Group, spearheaded by Iframac Ltd, consolidated its place in the market in 2008 by selling 1,304 vehicles, an increase of 10% over the previous year, despite challenging market conditions. It was also pleasing to note that the best-selling car in Mauritius in the compact class was the Mitsubishi Lancer Ex.

Iframac is about to embark on an ambitious plan to get closer to its customers by opening minishowrooms/quick service centres throughout Mauritius. Six are planned for 2009. The dealership will also be adding more brands and a start is to be made on its new headquarters at Montebello outside Port Louis. During 2008, the division also acquired leading tyre suppliers Agence Generale de Commerce Limitee and Qualitytread Ltd, which supply world-renowned brands such as Continental, Alliance, Maxxis, Mitas and Speedway. Outside of Mauritius, the division is present in Madagascar and South Africa and is exploring exciting opportunities in the Seychelles, Kenya and India.

Our smaller investments have performed equally well. The car rental arm of the tourism and leisure division of the Group changed its franchise to adopt the First Car Rental brand. Based in South Africa, First Car Rental is one of the fastest growing brands on the continent. This move coincided with the introduction of innovative services, such as becoming the first car rental company in Mauritius to offer GPS (global position) on a wide range of its vehicles. BA Logistics was appointed the exclusive agent for Mauritius and the Indian Ocean of transportation solutions provider Aramex the fifth biggest courier service operator in the world.

INTERNATIONAL GROWTH

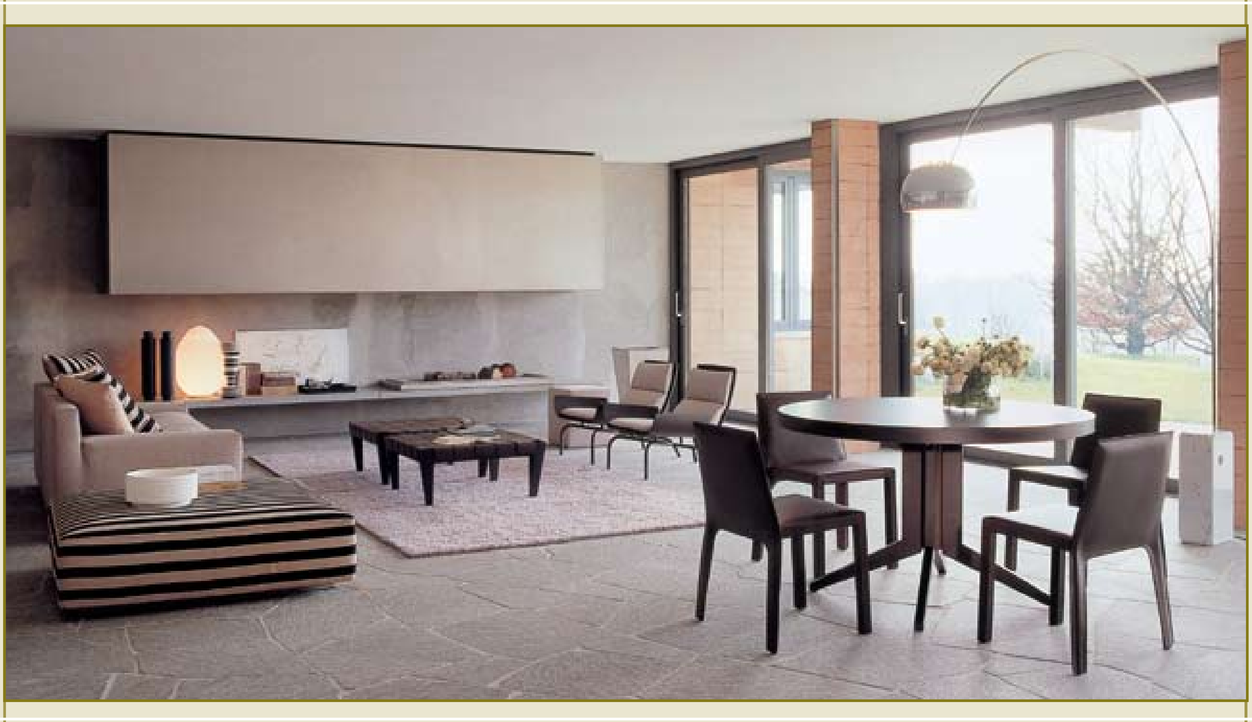
Internationally, we have operations in six countries – Madagascar, Kenya, Malta, Dubai, South Africa and France. The returns from these investments have greatly contributed to our success in the year under review.

While operations have suffered in Madagascar due to the period of political instability there, the revenues of our trade and commerce and transportation operations continue to grow.

In Kenya we witnessed a very turbulent start to the year with post election violence leading to major loss of life, dislocation of people, destruction of property and subsequent shortage of food. Fortunately the situation stabilised following intervention by the UN and formation of a Government of National Unity, but the economy then faced the fallout from the global economic situation in the second half, with reduced export and tourism earnings, lower remittances from the diaspora and lower foreign direct investment.

The Nairobi Stock Exchange saw a major downturn as foreign investors withdrew from the market. Remarkably against this backdrop, the British American life insurance business in Kenya posted record new business volumes in 2008, reinforcing its position as the market leader, whilst the general and group insurance lines also reported very encouraging results. The growth of the asset management arm slowed however due to investment market conditions. Meanwhile Equity Bank, in which the local group holds a strategic 11% stake, continued its extraordinary growth and once again reported an increase in pre-tax profits in excess of 100%. The bank expanded into Uganda during the year and is set to expand into other East African regions in the near future.

This stellar performance accompanied many accolades that Equity collected both internationally and locally. The bank was named as the "Best Microfinance Bank in Africa" during the annual African Bankers Awards ceremony held in Washington DC in October 2008, after having been named the "Best Performing Ai 100 Company" during the Africa Investor Awards ceremony held at the New York Stock Exchange in September



Porada Italian furniture - Exclusive to Arcasa Boutiques

2008. This was in addition to being voted the best bank in Kenya in the Euromoney awards for excellence in June 2008. Back in Kenya the bank emerged the overall best bank in Kenya at the Renaissance Capital Bank awards in August 2008 and was cited locally as the only stock that returned positive shareholder value during the year 2008 at the Nairobi Stock Exchange.

In Malta the effects of the global economic downturn were more pronounced and had a direct impact on GlobalCapital's local and international equity and bond investment portfolio. The group's business of insurance was also adversely impacted by the negative performance of the capital markets as well as a decline in premiums. At the same time, on the investment services front the prevailing lack of confidence led investors to take a much more cautious approach, resulting in a substantial decrease in appetite for purchase of investment products. This trend also had an adverse effect on income generated from performance fees. Conversely, the group's property activities and the agency/brokerage services registered encouraging results. The group took strategic measures to dispose of its property assets in Dubai at a time when property in Dubai was still much sought after and selling at peak prices. GlobalCapital continues to hold significant interests in property assets, locally and overseas, in a diverse portfolio of property for development purposes alongside long-term yield, high rental value real estate.

REACHING OUT

Our Group's commitment to the progress and development of Mauritius spreads far beyond the business sector, hence our decision to stage the biggest cultural event in Mauritius for many years – a spectacular stage show called Bharati. Held under the auspices of our marketing arm, MarCom, the show attracted more than 30,000 spectators over a 10-day period, and was universally hailed as one of the most enriching cultural experiences ever in Mauritius. This demonstrated marketing at its best.

During 2008, BAI launched a major ongoing corporate social responsibility programme encompassing health, education, and the empowerment of women.

As an integral part of its commitment to the community, the Group continued its support for the Youth Engaged in Service (YES) leadership training programme. In the year under review, 225 students from nine colleges took part in the programme, which is aimed at empowering young people from all walks of life to become successful adults and future leaders.

Courts' community support programme extended to Teen Hope, a primary prevention project aimed at school-leavers. The company made available its Caravane Soleil – a 15-seater minibus – every month so that Teen Hope could show students the many and varied aspects of life in Mauritius during monthly outings.

LOOKING FORWARD

As the global economy continues to experience instability and uncertainty, we at British American Investment remain cautiously optimistic. We strongly believe that where there are challenges, there are also opportunities. We are confident people will continue to need vehicles for their personal and business uses, will continue to buy life insurance, will continue to depend on leasing services, and will continue to acquire most other basic needs of life. We decided to become more effective in everything we do. We will aggressively work to increase our market share in all the sectors in which we are present, even when markets contract.

The tectonic shift in global economic power which we are witnessing today, with India and China and even the countries of the Gulf playing a more dynamic role, is well suited to our business strategy, honed and refined over the past few years.

As a diversified group, we operate in a wide array of sectors and countries and have the experience to deal with different cultures and traditions. Our contacts with India, China, East and Southern Africa, are strong and wide-ranging.

From our representative office in Dubai, we have sought and established new business relationships in the Gulf region, many of which will provide exciting opportunities for the Group going forward.

Over the years the Group structures have continuously evolved to cater for the growth and development needs and performance aspirations of our organisation. We are pleased to report that British American Investment is now in the final phase of the major reorganisation initiated in 2007. Accordingly, we have established three large operating subsidiary groups:

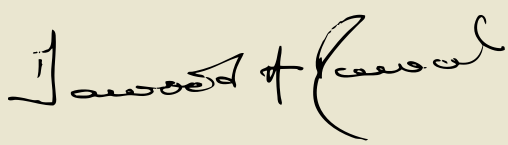
- British American Financial Services (BAFS), which includes all companies in banking, insurance and other financial services;
- British American Trade & Commerce (BATC) - all our companies in transportation and retail; and
- British American Services (BAS), which groups all other companies including those in healthcare, construction, leisure etc.

The changes are designed to create a novel structure headed by an investment company with major subsidiaries which are evolving into significant groups on their own. These new holding companies, which will be relatively independent with their own boards and management, will contribute to further leveraging of synergies amongst the companies of the group while ensuring we become a leaner and more focused organisation. And to further enhance corporate performance monitoring and controls, and to cater for future growth, two new parent company posts have been created, that of a Group Chief Operating Officer and that of a President for International Operations.

We are well positioned to progress and develop further, both in Mauritius and the wider region, thanks to the expertise, skills and knowledge we have marshalled in the Group.

Our continuing investment in our people is paying dividends; the trust we have won from our clients must continue to be nurtured; the products and services we offer have to be the products and services of choice.

As we look with expectation to the future, I would like to thanks my fellow Directors, staff, managers, clients and suppliers for their support and trust.



Dawood A. Rawat - Chairman

During the year under review, the Group reported profits of MUR 276.9 million compared to MUR 102.2 million in 2007. Revenues at MUR 13.4 billion were 56% higher than in 2007. The balance sheet remains strong with total assets growing by a commendable 76% to reach MUR 25.7 billion as at 31 December 2008.

All the divisions in the Group reported growth in revenues and total assets. Operating profits increased from 4.7% to 5.5% and finance costs reached MUR 514m. The increase in tax was mainly attributable to reversal of deferred tax assets arising on reduction in tax losses.

Net cash generated during the year improved from MUR 400m in 2007 to 2 billion in 2008 and can mainly be attributed to Bramer Banking Corporation Ltd.

Total dividend distribution in 2008 was in line with the previous year at MUR 0.49 per share whilst earnings per share more than doubled from MUR 1.08 to MUR 2.91.

The Financial Services Division ended the year with profits of MUR 343m, with revenues growing by 89%.

BAI Co. (Mtius) Ltd increased its underwriting results by 79.4% following strong performance of its investment portfolio. Gross premium income registered a growth of 70.9% over 2007 to pass the MUR 4 billion barrier.

Mauritius Leasing's total revenues increased by 9.2% to MUR 363.9m compared to MUR 333.2m in 2007 and is mainly attributable to growth in income from operating leases and investments. The Company registered profits of MUR 16.1m against MUR 22.2m in the previous year.

British American Exchange Co. Ltd, our money transfer and foreign exchange activity, registered a growth in revenues of over 40%. Profits improved from MUR 25.5m to MUR 26.4m despite an exceptional fair value adjustment of MUR 3.0m attributable to its investments.

Results of Global Capital plc, our investment in Malta, have been consolidated during the year. Prospects in Malta remain positive and this leading provider of financial services has the financial strength to explore initiatives to expand its core businesses whilst pursuing its ambition to enter the banking sector.

In April 2008, a major milestone was reached when the Group acquired the South East Asian Bank Ltd (now renamed Bramer Banking Corporation Ltd), a deal which consolidates our presence in the financial services sector.

The bank has an ambitious plan to expand its activities both through increased geographical coverage and increased service offering. The bank returned a pre-tax profit of MUR 44.9m.

The Transportation Division driven by Iframac Ltd consolidated its market ranking with a growth of 10.3% in units sold which reached 1,304 vehicles.

Iframac Ltd's results have been adversely affected by currency translation losses as a result of the sharp depreciation of the Japanese Yen vis-à-vis the Mauritian Rupee.

Fleemaster Ltd, our fleet management company which is in only its second full year of operation made a positive contribution with profits climbing more than 400% to MUR 4.5m.

In June 2008, the Transportation Division was strengthened with the acquisition of 'Agence General de Commerce Ltee', the distributor of 'Continental' tyres. This operation also delivered positively with profits of MUR 0.7m.

The Trade and Commerce Division posted a profit of MUR 68.9m compared to 2007's MUR 53.9m.

Courts Mauritius maintained its position as market leader with revenue growth of 13.9% to more than MUR 1.6 billion. Despite the challenging retail environment, the company increased its operating profits by 11.9% to MUR 128.7m benefiting from strong mechandising and marketing initiatives, expansion of the branch network to 19 stores and continuation of the store revamping exercise started in 2007.

Courts Madagascar returned a profit for the first time since it started operations following a restructuring implemented since 2007 which comprised a rationalisation of its stores outlets and a review in its products offering to better suit the local market.

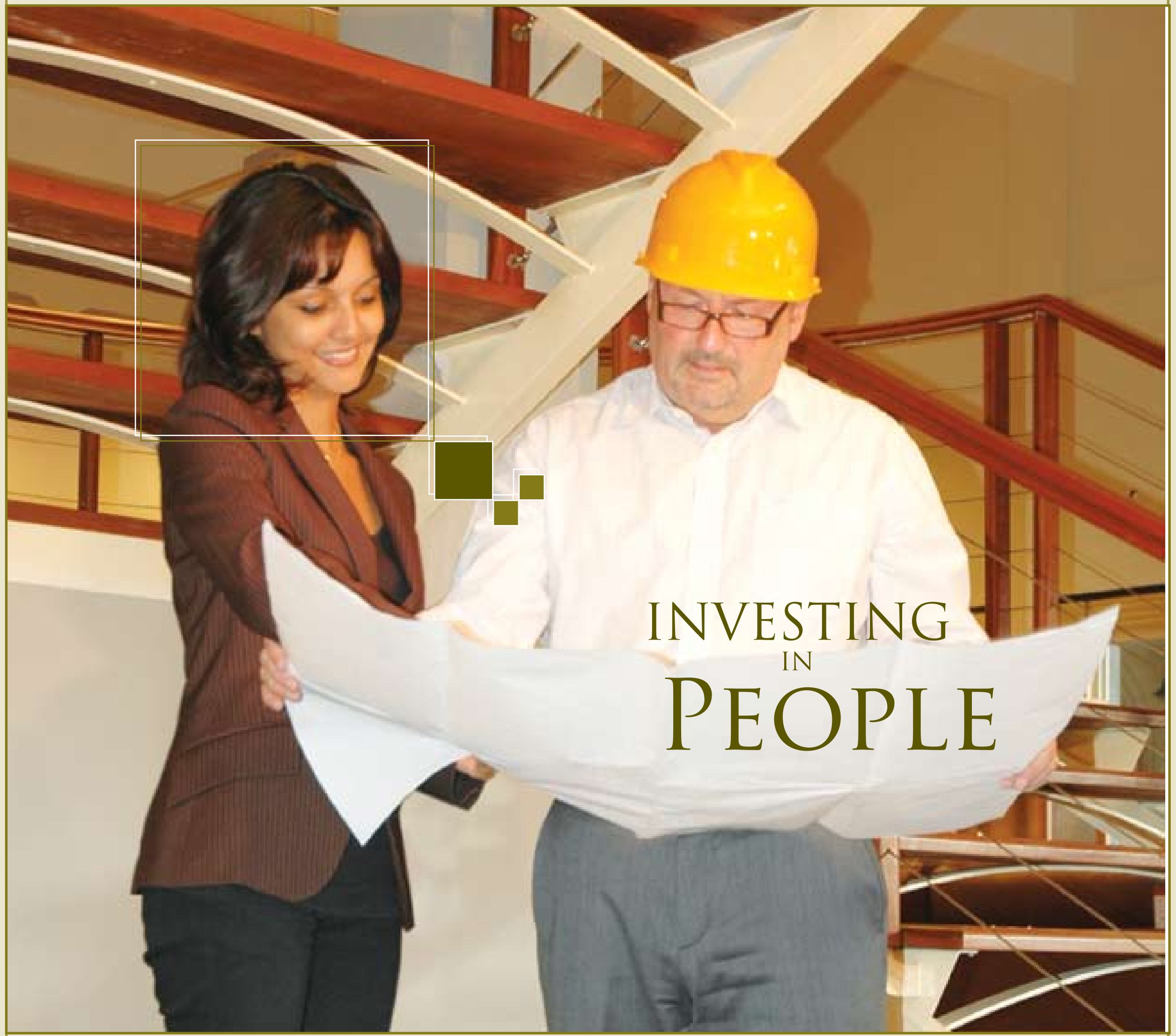
The Group's Construction & Property Development Division reported a loss of MUR 33.9m due to the restructuring which was initiated two years ago. Management has been further strengthened while a number of new companies have been set up to work alongside Ireko Construction Ltd, thus ensuring further synergies in the group.

Ireko Construction Ltd, which has now completed its restructuring programme, posted profits for the second year running.

The Leisure & Hospitality Division reported growth in revenues of 15%. Results were mainly driven by the inbound tour operator, Solis Indian Ocean Ltd, which delivered profits of MUR 9.3m despite challenging business conditions.

BA Logistics Co. Ltd, our freight forwarding and customs clearing operation, now in only its second year of operation, returned profits of MUR 0.7m.

Apollo Bramwell Hospital, the Group's pioneering venture into high-tech health and medical tourism will soon be starting operations while the Apollo Bramwell Nursing School welcomed its first batch of students in March 2009.



VISION

Just as the needs of our customers never stop changing, companies in the British American Investment Group are continuously evolving. Whether it's financial services, leisure & hospitality or transportation, trade and commerce, construction or healthcare, our managers are encouraged to ask themselves every day, "What if?" and "Why not?"

INVESTING IN EMPLOYEES

We are committed to our people's development... because they make investment happen.

COMPLIANCE STATEMENT

The Company is committed to the highest standards of business integrity, transparency and professionalism in all its activities to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders. As an essential part of this commitment, the Board subscribes to and is fully committed to complying with the Code of Corporate Governance for Mauritius.

The Directors continuously consider the implications of corporate governance best practices and are of the opinion that, to their best of their abilities, they have ensured that the Company complies with the requirements of the Code of Corporate Governance in all material respects.

COMPOSITION OF THE BOARD

The Directors are appointed or elected to serve on the Board by the Shareholders at the Annual Meeting of Shareholders following recommendations made by the Nomination Committee.

The Company's Constitution also provides that the Board of Directors shall be composed of a minimum of two and a maximum of twelve directors. The quorum necessary for the transaction of business shall be a majority of directors being assembled together at the place, date and time appointed for the meeting or by means of audio or audio visual communication by which all directors participating and constituting a quorum can hear each other throughout the meeting.

The Board comprises eight directors, one of whom is executive. Of the non-executive directors, four are independent. The Chairman and Vice Chairman of the Board are non-executive directors.

BOARD OF DIRECTORS

Dawood A. Rawat - Chairman
Mr. Rawat was appointed a Director and Chairman of the Board of British American Investment Co. (Mtius) Ltd in 2002. He is also Chairman of the Boards of other principal subsidiaries of the Group such as Iframac Limited and Courts (Mauritius) Limited. Mr. Rawat also holds directorships in the Bahamas and Malta (GlobalCapital plc, which is listed on the Malta Stock Exchange).

Directorship in other listed company :
The Mauritius Leasing Company Limited

J. Nicholas Ashford-Hodges
Mr. Ashford-Hodges, who was appointed a Director of the Board in 2002, is a Fellow of the Institute of Chartered Accountants in England and Wales and holds an Honours degree in Engineering Science from Oxford University. As well as being President of British-American (UK) Limited, a representative office in the UK for the British American group of companies, Mr Ashford-Hodges is Vice Chairman of British American Investment Co. (Mtius) Ltd and a Director of several other Boards and sub-committees of the British American Group in Mauritius, Kenya and Malta (GlobalCapital plc, which is listed on the Malta Stock Exchange).

Saleem R. Beebeejaun
A Fellow of the Chartered Institute of Insurance, Mr. Beebeejaun is a former president of the Mauritius Insurers Association. He is the Chief Executive Officer of British American Investment Co. (Mtius) Ltd and was appointed a Director of the Board in 2003. Mr. Beebeejaun is also Chairman of BAI Co (Mtius) Ltd (previously British American Insurance Co. (Mtius) Ltd) and a member of several other Boards and sub-committees of the British American Group in Mauritius, Kenya and Malta.

Directorship in other listed company :
The Mauritius Leasing Company Limited

Farouk A. A. Hossen OSK
Appointed to the Board in 2004, Mr. Hossen is a leading entrepreneur in Mauritius. He is the founder of Farouk Hossen (Medic Optics) Ltd, Farouk Hossen (Opticians) Ltd, Farouk Hossen (Optical Manufacture) Ltd and Farouk Hossen (Optical Supplies) Ltd. Mr. Hossen, who is a former Director of the State Bank of Mauritius Ltd, is also a member of other subsidiary Boards and sub-committees of the British American Group.

Directorship in other listed companies :
The Mauritius Leasing Company Limited
Automatic Systems Limited

Shivananda P. Mootien
Mr. Mootien, who was appointed to the Board in 2004, is a retired banker with comprehensive experience in risk management, having been the Director of the Risk Department of Barclays Bank plc. He is also a Director of The Mauritius Leasing Company Limited as well as various sub-committees within the British American Group.

Directorship in other listed company :
The Mauritius Leasing Company Limited

Ayoob M. H. Rawat
Mr. Rawat, appointed to the Board in 2005, is a member of the Institute of Chartered Accountants in England and Wales and a member of the Swiss Association of Certified Accountants and Tax Consultants. Mr. Rawat is also a Director of GlobalCapital Life Insurance Ltd in Malta and a member of various sub-committees of the British American Group. He has more than 20 years international banking experience having occupied senior positions in London and Geneva, and now runs a Swiss-based company specialising in investment control and monitoring.

Directorship in other listed company:
The Mauritius Leasing Company Limited

Farid R. Gulmohamed
Mr. Gulmohamed, who was appointed a Director of the Board in 2005, is a Fellow Chartered Accountant residing both in the UK and India. The former Director of Corporate Finance, Deloitte & Touche (India), he is now a Senior Adviser of KPMG in India. Mr. Gulmohamed also holds directorships in several companies in the UK, Denmark, France and Mauritius.

Bocar Elimane Dia
Mr. Dia was appointed a Director of the Board in 2007. Holding an honours degree in International Economics and International Relations, he has worked extensively for UNESCO occupying several senior posts. He is currently an international consultant for UNDP, UNICEF and UN Aid and acts as the Chairperson for Network System Area, Societe de Batiments et Travaux Publiques and Amayelle Transport, three Senegal-based companies. He also teaches Economics and International Relations at the University of Montreal in Canada.

BOARD SECRETARY

B A Corporate Services Ltd was appointed Secretary to the Board in August 2008 replacing Mr. E. M. Swadeck Taher OSK. B A Corporate Services Ltd, incorporated in July 2006 as a wholly-owned subsidiary of British American Investment Co. (Mtius) Ltd, acts as Corporate Secretary for companies forming part of the British American Group.

BOARD COMMITTEES

In line with corporate governance best practices, the Board has established the following sub-committees to assist it in the execution of its policies and its decision-making process and thus to help it in carrying out all its duties and responsibilities.

- Corporate Governance Committee
- Audit Committee
- Nomination Committee
- Remuneration Committee
- Investment Committee

British American Investment Board of Directors

Standing from left to right:
Farouk A. A. Hossen OSK (Mauritius) | **Saleem R. Beebeejaun** (Mauritius) | **J. Nicholas Ashford-Hodges** (UK) | **Farid R. Gulmohamed** (UK/India) | **Ayoob M. H. Rawat** (Geneva)
Seated from left to right:
Shivananda P. Mootien (Mauritius) | **Dawood A. Rawat** - Chairman (Mauritius) | **Bocar Elimane Dia** (Senegal)

Corporate Governance Committee

The Corporate Governance Committee has been set up to determine and develop the Company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance. The role of the Committee is also to ensure that disclosures are made in the annual report in compliance with the disclosure provisions in the Code of Corporate Governance and to the best international practice.

The members of the Corporate Governance Committee are:-

- Farouk A. A. Hossen OSK - Chairman
- Saleem R. Beebeejaun
  (Appointed on 05 December 2008)
- Ayoob M. H. Rawat

Audit Committee

The Audit Committee has been set up to assist the Board in fulfilling part of its duties and responsibilities, providing a link between the Board, internal audit and external auditors. The Committee is constituted of a majority of non-executive Directors. Its responsibilities include reviewing the appropriateness of the Group's accounting policies and assessing the effectiveness of the Group's internal control processes, reviewing the Group's interim and annual financial statements before their submission to the Board and discussing the results of the external audit process with the external auditors.

The Audit Committee meets at least three times each year. The Chairman of the Committee informs the Board of Directors of the Company of any matters the Board should be made aware of.

The members of the Audit Committee are:-

- Shivananda P. Mootien - Chairman
- J. Nicholas Ashford-Hodges
- Farouk A. A. Hossen OSK

Nomination Committee

The Nomination Committee recommends candidates for appointment or election as Directors at the Annual Meeting of Shareholders. The Nomination Committee also makes recommendations for the appointment of senior management positions.

The Committee consists of two independent Non-Executive Directors and one Executive Director who meet as and when necessary to consider nominations.

The members of the Nomination Committee are:-

- Farouk A. A. Hossen OSK - Chairman
- Ayoob M. H. Rawat
- Saleem R. Beebeejaun

Remuneration Committee

The Board of Directors has established the Remuneration Committee with agreed terms of reference to determine on its behalf, the remuneration and incentive package of executive directors, senior management and staff.

The Remuneration Committee aims at rewarding the performance of executives that will lead to long term enhancement of shareholder value. The Remuneration Committee reviews the compensation of members of the Board, members of the executive committee and senior management.

The Remuneration Committee is composed of two independent Non-Executive Directors and one Non-Executive Director.

The members of the Remuneration Committee are:-

- Farouk A. A. Hossen OSK - Chairman
- J. Nicholas Ashford-Hodges
- Shivananda P. Mootien

Investment Committee

The Investment Committee is responsible for formulating and reviewing the investment strategies, policies and monitoring investment processes of the Group.

This Committee comprises three independent Non-Executive Directors and one Non-Executive Director.

The members of the Investment Committee are:-

- J. Nicholas Ashford-Hodges - Chairman
- Ayoob M. H. Rawat
- Shivananda P. Mootien
- Farid R. Gulmohamed

Internal Audit and Compliance

The British American Investment Group operates in different segments of the financial sector which are both complex and highly regulated. The Board has set up a framework for an effective internal audit function. In that respect, FINACC was appointed to review the effectiveness and adequacy of internal controls within the Group. The Audit Committee receives and considers the report of FINACC and makes appropriate recommendations to Board for its approval.

BOARD AND COMMITTEE ATTENDANCE

Directors	Status	Board	Committees				
			Corporate Governance	Audit	Nomination	Remuneration	Investment
1. Dawood A. Rawat	Chairman	7	•	•	•	•	•
2. J. Nicholas Ashford-Hodges	Non-Executive	7	•	4	•	7	2
3. Saleem R. Beebeejaun	Executive	7	•	•	1	•	•
4. Farouk A. A. Hossen OSK	Independent	7	1	5	1	7	•
5. Shivananda P. Mootien	Independent	7	•	5	•	7	3
6. Ayoob M. H. Rawat	Independent	7	1	•	•	•	2
7. Bertrand L. M. Rassool*	Executive	2	1	•	•	•	•
8. Farid R. Gulmohamed	Independent	6	•	•	•	•	3
9. Bocar Elimane Dia	Independent	6	•	•	•	•	•
Number of Meetings		7	1	5	1	7	3

* Bertrand L. M. Rassool resigned on 04 April 2008

STATEMENT OF REMUNERATION POLICY

Executive remuneration packages are prudently designed to attract, motivate and retain Directors, executive management and senior management of high calibre needed to maintain the Group's position in the market. They are also designed to reward them for enhancing the Company's performance. The review of their performance and the determination of their annual remuneration packages are considered and approved by the Remuneration Committee.

REMUNERATION OF DIRECTORS

	2008	2007
	MUR'000s	MUR'000s
Emoluments and benefits received from the Company		
Executive Directors	11,860	10,710
Non-Executive Directors	4,100	4,040
	15,960	14,750
Emoluments and benefits received from the Company's subsidiaries		
Executive Directors	-	-
Non-Executive Directors	860	545
	860	545

SENIOR MANAGEMENT PROFILE

Saleem R. Beebeejaun – Chief Executive Officer – see profile on page 16

E. M. Swadeck Taher – Group Executive Vice President and Chief Operating Officer

Swadeck E. M. Taher is a Fellow of the Institute of Chartered Accountants in England and Wales and a Fellow of the Association of Chartered Certified Accountants. He is a former member of the Board of the Financial Reporting Council and was awarded the ACCA Achievement Award 2007 for his contribution to the accounting profession in Mauritius. He was formerly in practice before joining the Company in 1998. He is a member of the Board of various subsidiaries of the British American Group. Mr Taher has recently been made an officer of the Order of the Star and Key of the Indian Ocean (OSK).

SENIOR MANAGEMENT PROFILE (CONT'D)

Bertrand L. M. Rassool – Deputy Chief Executive Officer
Mr Bertrand Rassool was High Commissioner of the Seychelles to the UK from 1999 to 2004 and Non-Resident Ambassador to the World Trade Organisation up to 2004. Mr. Rassool, who holds a BSc Hons. in economics from the London School of Economics, formerly held senior positions in Government and the Central Bank in the Seychelles. He has other directorships in the UK and the Seychelles.

Osman Badat – Group Chief Financial Officer
Mr Osman Badat is a Fellow of the Institute of Chartered Accountants in England and Wales. He joined PricewaterhouseCoopers Mauritius in 1998 and worked in their Assurance and Business Advisory Services practice, servicing clients in Mauritius and Africa. He moved to the British American Group in 2001. He is currently the Chairperson of the Mauritius Institute of Professional Accountants.

SHAREHOLDING OF THE COMPANY

In accordance with the Listing Rules of the Stock Exchange of Mauritius, at least 25% of the shareholding is in the hands of the public.

Major Shareholders
Major shareholders holding more than 5% of the shares of the Company at 31 December 2008 are detailed below:-

Name of Shareholder	% Holding
British American Holdings Limited	47.33
Dawood A. Rawat	22.09

Share ownership

Number of Shareholders	Number of Shares	Number of Shares Owned	% of Total Issued Shares
1,349	1-500	347,051	0.37
521	501-1,000	439,179	0.46
815	1,001-5,000	2,201,809	2.32
183	5,001-10,000	1,500,707	1.58
224	10,001-50,000	5,043,683	5.31
29	50,001-100,000	2,155,867	2.27
19	100,001-250,000	2,985,144	3.14
2	250,001-500,000	611,900	0.64
4	500,001-1,000,000	2,793,116	2.94
6	Over 1,000,000	76,995,241	80.97
3,152		95,073,697	100.00

RELATIONSHIP MANAGEMENT WITH STAKEHOLDERS

The British American Group places a great deal of importance on communicating with its stakeholders and endeavours to keep them informed by regular communication through company announcements in the press and disclosures in the Annual Report. The Group also issues an internal newsletter on a regular basis, which highlights significant events and achievements of the Group and its subsidiaries. In addition, British American Investment Co. (Mtius) Ltd, being listed on the Stock Exchange, ensures that there is sufficient disclosure of information to investors and the public to ensure that they are kept fully informed of all factors which might affect their interests.

An Annual Meeting of Shareholders is convened inter alia to consider and approve the Annual Report for the financial year, and to elect Directors and external Auditors. The shareholders are kept informed on progress made and strategies adopted during the year in the light of prevailing market and economic conditions and the objectives set by the Board as detailed in the Directors' Report.

SHARE PRICE REVIEW

The share price of British American Investment Co. (Mtius) Ltd was MUR 9.90 at 31 December 2008.

Date	Price (MUR)	Change (%)
31-Dec-05	4.50	-
31-Dec-06	7.50	67
31-Dec-07	9.00	20
31-Dec-08	9.90	10

DIVIDEND POLICY

The objective of the Group is to provide value added to its shareholders through return on equity. Subject to internal cash flow requirements and the need for future capital investments, it is the policy of the Company to declare dividends on a regular basis. The Company has declared and paid dividends every year as per the following table:

Financial Year	2008	2007	2006	2005	2004
Interim (MUR)	0.14	0.14	0.14	0.14	0.14
Final (MUR)	0.35	0.35	0.35	0.33	0.33
Total	0.49	0.49	0.49	0.47	0.47

DIRECTORS' INTERESTS IN SHARES

The interests of Directors in the equity of the Company as at 31 December 2008 are as follows:-

Directors	Direct Interest (%)	Indirect Interest (%)
Dawood A. Rawat	22.09	37.87
Saleem R. Beebeejaun	0.255	0.002
Ayoob M. H. Rawat	0.013	-
Bocar E. Dia	0.105	-

DIRECTORS' DEALINGS IN SHARES OF THE COMPANY

With regard to Directors' dealings in the shares of their own Company, the Directors confirm that they have followed the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

TRANSACTIONS DURING THE YEAR

Mr Bocar Elimane Dia acquired 100,000 shares of the Company during the year.

THIRD PARTY MANAGEMENT AGREEMENT

There was no such agreement during the year under review.

RELATED PARTY TRANSACTIONS

Please refer to pages 93 and 94 of the Annual Report for details in respect of related party transactions.

CONSTITUTION

The Constitution of the Company adopted in April 2003 does not provide any ownership restrictions.

SHAREHOLDERS' AGREEMENT AFFECTING THE GOVERNANCE OF THE COMPANY BY THE BOARD

There was no such agreement during the year under review.

RISK MANAGEMENT

(a) Responsibility and application:

The Board is responsible for risk management and the procedures in place within the organisation for risk management. The Board is responsible for the definition of the overall strategy for risk tolerance. The Board is responsible for the design and implementation of the risk management processes and day-to-day management of risk is performed by management. The internal auditor assists the Board and management with the monitoring of the risk management process.

The Company's policy on risk management encompasses all significant business risks including physical, operational, human resources, technology, business continuity, financial, compliance and reputational which could influence the achievement of the Company's objectives.

The risk management mechanisms in place include:

- A system for the ongoing identification and assessment of risk;
- Development of strategies in respect of risk and definition of acceptable and non- acceptable levels of risk;
- The communication of risk management policies to all levels of the organisation as appropriate, and methods to ensure commitment, both by managers and by other employees, to the process;
- The implementation of a documented system of internal control that closely aligns the control effort to the nature and importance of the risk; and
- Processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board and management.

(b) Structures and processes for identification of risks and risk management:

There is clear accountability for risk management, which is a key performance area of line managers throughout the Company. Each manager is required to document how these risks will be managed and what mitigating activities have been put in place in respect of each significant risk.

(c) Integration of internal control and risk management:

The system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Company's business objectives will be achieved within the risk tolerance levels defined by the Board. The effectiveness of the internal control systems are reviewed quarterly by the Audit Committee and the review covers all internal control systems including financial, operational, compliance and risk management.

(d) Assurance on the effectiveness of the risk management process:

Regular management reporting, which provides a balanced assessment of key risks and controls, is an important component of Board assurance. The finance department provides confirmation that financial and accounting control frameworks have operated satisfactorily. The Board also receives assurance from the Audit Committee, which derives its information, in part, from regular internal and external audit reports on risk and internal control throughout the Company.

(e) Management of key risks identified:
Within the Company, the risk elements are viewed under the following headings:

- Operational risk: Operational risk is defined as risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational loss events have significant negative impact on the Company.
- Human resource risk: Losses arising from acts inconsistent with employment, health and safety laws, personal injury claims, etc.
- Compliance risks: Losses arising from failure to comply with regulations governing the conduct of an organisation's business in the countries in which it operates. It is a composite risk made up of the risk of legal or regulatory sanctions, financial loss, or loss to reputation.
- Physical risks: Losses due to fire, cyclones, riots, etc.
- Technology risks: Includes hardware and software failures, system development and infrastructure issues.
- Business continuity risks: Losses from failed transaction processing, and process management.
- Reputational risks: Losses due to unintentional or negligent failure to meet a professional obligation to specific clients or from the nature or design of a product.
- Financial risks: The identification and management of these risks are further discussed in note 5 to the financial statements.

In conducting its annual review of the effectiveness of risk management, the Board considers the key findings from the ongoing monitoring and reporting processes, management assertions and independent assurance reports. The Board also takes account of material changes and trends in the risk profile and considers whether the control system, including reporting, adequately supports the Board in achieving its risk management objectives.

During the course of the year the Board considered the Company's responsiveness to changes within its business environment. The Board is satisfied that there is an ongoing process, which has been operational during the year.

TIMETABLE-IMPORTANT EVENTS

Some of the key milestones are as follows:-

Publication of Annual Report	May 2009
Annual Meeting of Shareholders	June 2009
Publication of Quarterly Reports	May, August and November 2009
Declaration of Interim Dividend	September 2009
Declaration of Final Dividend	March 2010
Financial Year End	December 2009

CHARITABLE DONATIONS

There was no charitable donation made by the Company during the year. (2007: MUR 334,000)

POLITICAL DONATIONS

The Company did not make any political donations during the year under review.

STAKEHOLDERS' RELATIONS AND COMMUNICATION

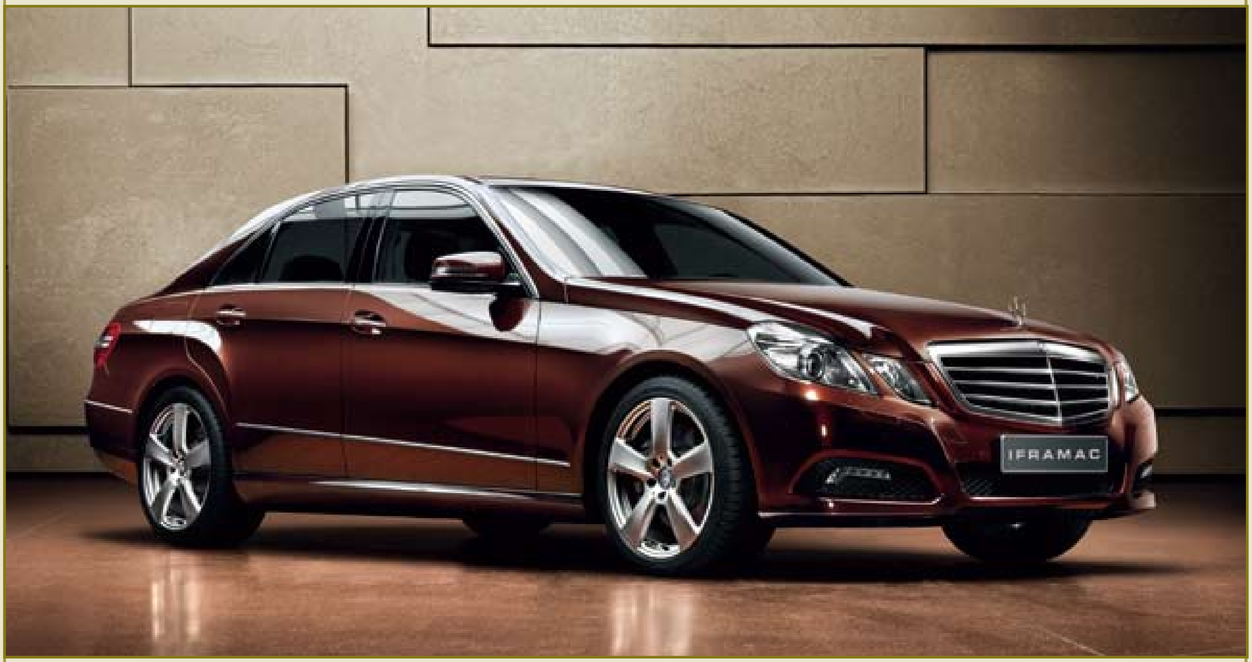
The Board aims to properly understand the information needs of all stakeholders and places great importance on an open and meaningful dialogue with all those involved with the Company. It ensures that shareholders are kept informed on matters affecting the Company. The Company's website is used to provide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

CODE OF ETHICS

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. Staff at all levels drew up the Company's Code of Ethics, which reflects the Company's diversity and unique culture. Adequate grievances and disciplinary procedures are in place to enable enforcement of the Code of Ethics.

SUSTAINABILITY REPORTING

The Company has developed and implemented social, safety, health and environmental policies and practices that in all material respects comply with existing legislative and regulatory frameworks.



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STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

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

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

(iii) The selection of appropriate accounting policies supported by reasonable and prudent judgements.

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

The Directors report that:

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

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

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

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

Signed on behalf of the Board of Directors:

Saleem R. Beebeejaun - Director

Shivananda P. Mootien - Director

The fastest CT scanner on the island, available at Apollo Bramwell Hospital

The Directors present the Annual Report and audited Financial Statements of British American Investment Co. (Mtius) Ltd ('the Company') and its subsidiaries (collectively 'the Group') for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as an investment holding company. The activities of the Company's subsidiaries consist mainly of transacting long-term (life and pensions) insurance businesses, providing leasing facilities, banking services, retailing, stockbroking, mortgage financing, construction and property development, car dealership, tour operator and healthcare.

DIRECTORS

The following persons held office as Directors of the Company as at 31 December 2008:

Mr Dawood A. Rawat
Mr Ayoob M.H. Rawat
Mr Farid R. Gulmohamed
Mr John Nicholas Ashford-Hodges
Mr Saleem R. Beebeejaun
Mr Omar Farouk A.A. Hossen O.S.K
Mr Shivananda P. Mootien
Mr Elimane Bocar Dia

A list of Directors of subsidiaries as at the year end and those who ceased to hold office during the year is found in annexures which form an integral part of this Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Company and the Group. The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flow of the Company and the Group and comply with the Companies Act 2001 and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company and of its subsidiaries have any service contracts that need to be disclosed under Section 221(2) of the Companies Act 2001.

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received and receivable by the Directors from the Company and its subsidiaries were as follows:

	Company		Subsidiary companies	
	2008	2007	**2008**	2007
	MUR'000s	MUR'000s	**MUR'000s**	MUR'000s
Directors of the Company				
Executive Directors	**11,860**	10,710	**-**	-
Non-Executive Directors	**4,100**	4,040	**860**	545
	15,960	14,750	**860**	545
Directors of Subsidiary Companies				
Executive Directors	**-**	-	**46,696**	37,251
Non-Executive Directors	**-**	-	**5,138**	4,366
	-	-	**51,834**	41,617

DONATIONS

	Group		Company	
	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Donations	493	923	-	334

There were no political donations during the year (2007:Nil).

AUDITORS' REMUNERATION

	Group		Company	
	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Audit fees paid to:				
- KPMG	7,300	5,539	300	300
- Other firms	3,808	-	1,487	-
Fees paid for other services provided by				
- KPMG	31	-	-	-
- Other firms	3,582	2,471	23	6

Approved by the Board of Directors on 29 May 2009 and signed on its behalf by:

Saleem R. Beebeejaun - Director

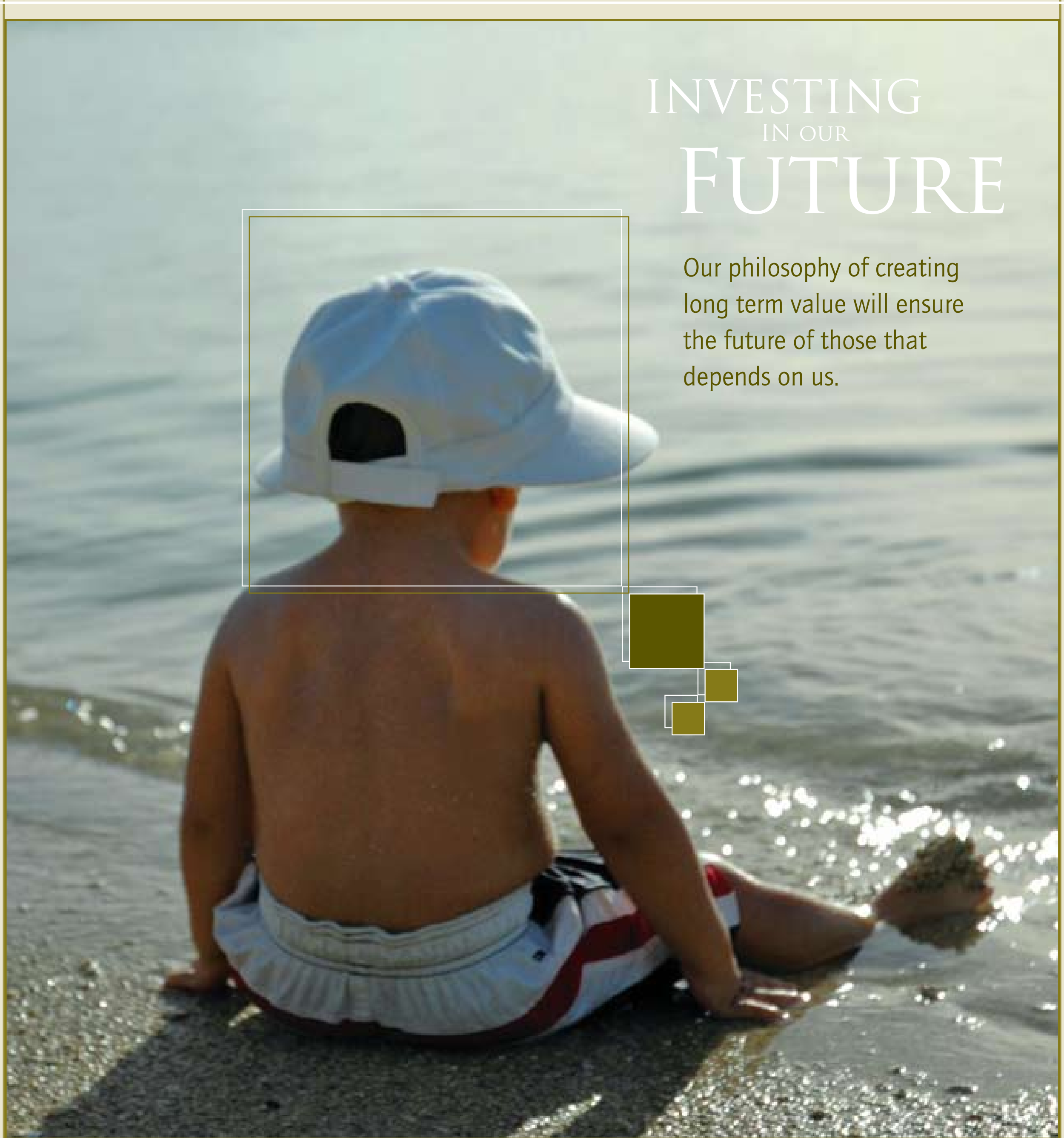
Shivananda P. Mootien - Director

Secretary's Certificate

In accordance with Section 166 (d) of the Company's Act 2001, we certify, to the best of our knowledge and belief, that the Company has filed with the Registrar of Companies all such returns as are required under the Act.

B A Corporate Services Ltd
Per E.M. Swadeck Taher FCA, FCCA, CF, OSK
Company Secretary

29 May 2009



REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the consolidated financial statements of British American Investment Co. (Mtius) Ltd (the "Company") and its subsidiaries (together the "Group") on pages 31 to 99 which comprise the consolidated balance sheet at 31 December 2008 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

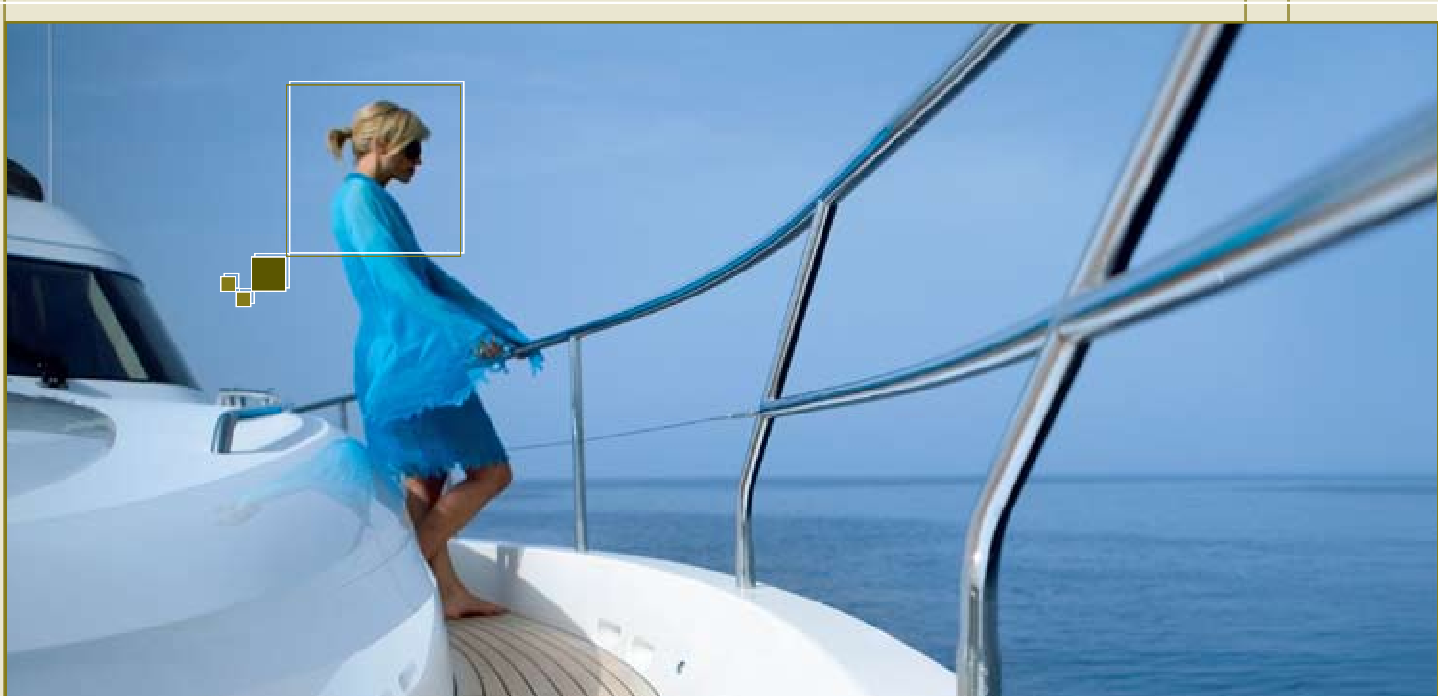
The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act. This responsibility includes: designing, implementing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

Auditors' Responsibility

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

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



Princess - V Class exclusively available from IDC

Opinion

In our opinion, the consolidated financial statements on pages 31 to 99 give a true and fair view of the financial position of the Group and the Company at 31 December 2008 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act.

Other matter

This report, including the opinion, has been prepared for and only for, the Group's and the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act

We have no relationship with or interests in the Group and the Company other than in our capacity as auditors.

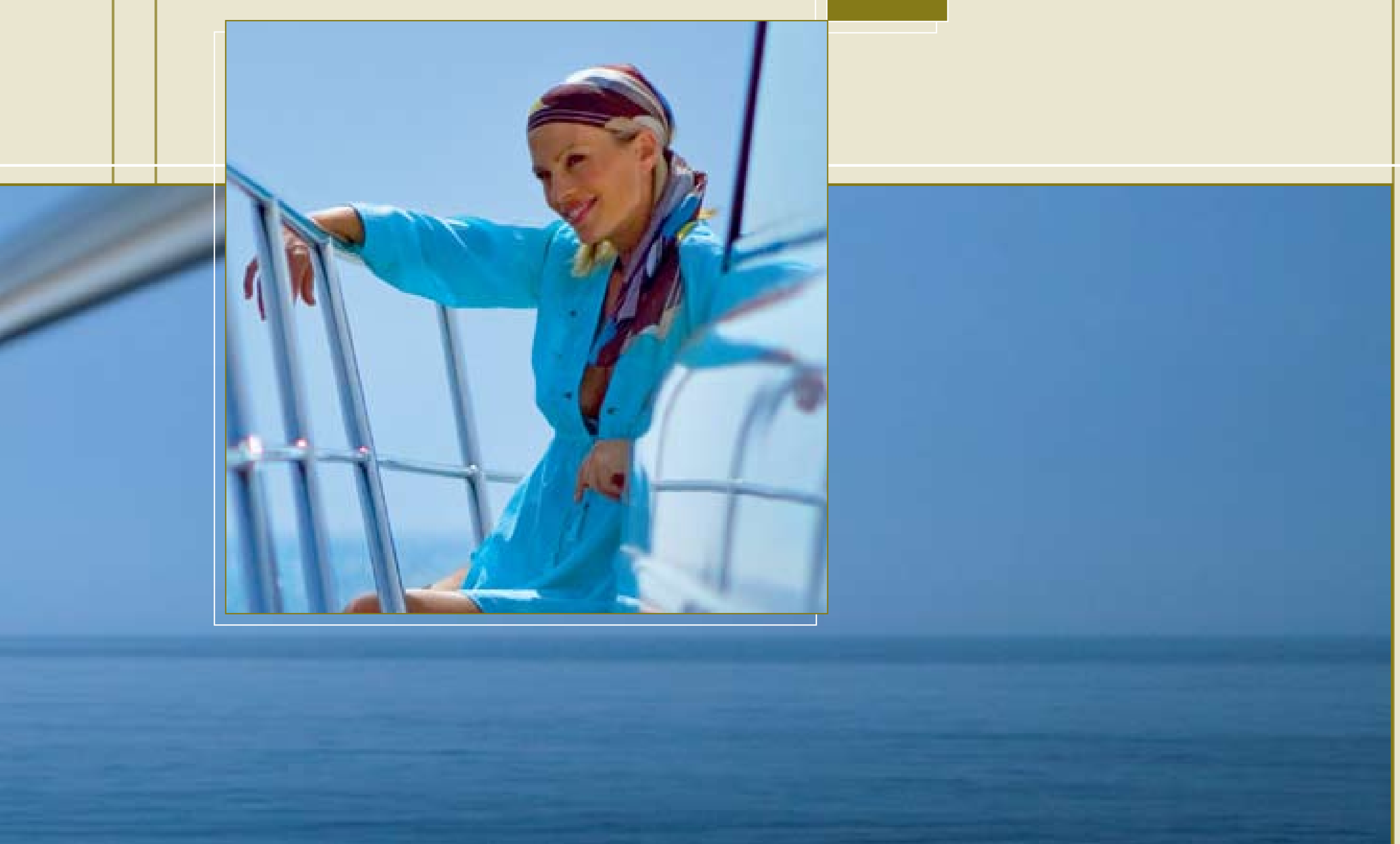
We have obtained all the information and explanations we have required.

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

KPMG
Public Accountants

Port Louis

Date: 29 May 2009



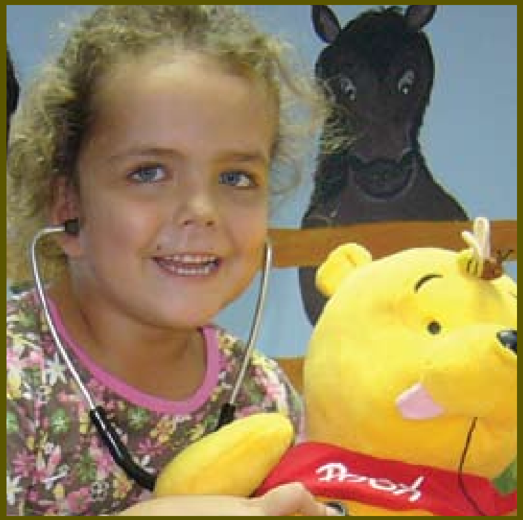
Yacht charters from **Elegance Yachts**

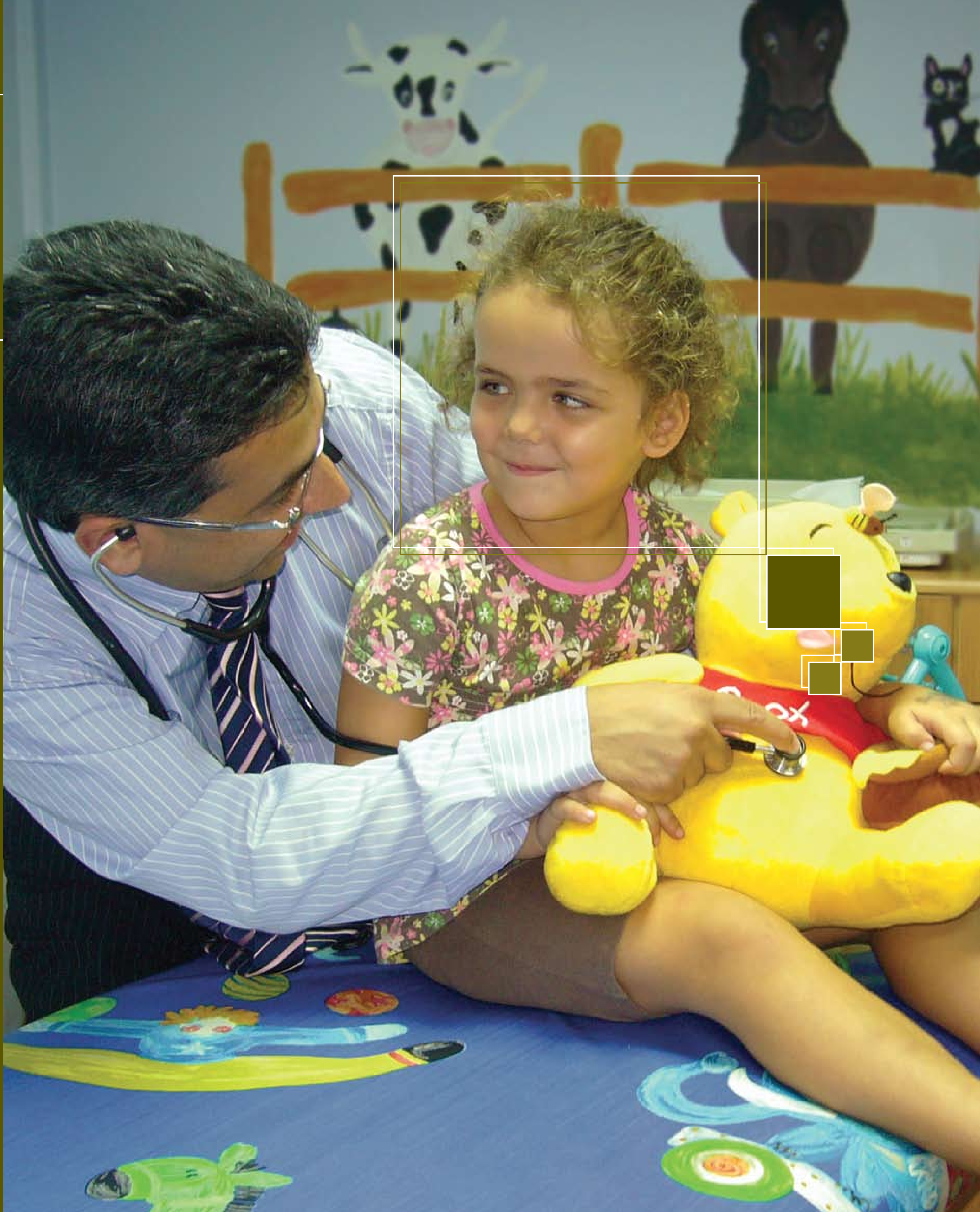
Values

Our culture is underpinned by a combination of values and expectations that, while individually not unique, together form an environment which fosters innovation and creativity. We believe in uncompromising integrity and company responsibility, operational excellence and unequalled customer responsiveness.

INVESTING IN SOCIETY

We have a duty to create opportunities for the next generation.





Consolidated Balance Sheet
as at 31 December 2008

	Note	Group		Company	
		2008	2007	2008	2007
		MUR'000s	MUR'000s (Restated)	MUR'000s	MUR'000s
Assets					
Property, plant and equipment	6	**3,398,392**	2,103,545	**7,930**	1,809
Intangible assets	7	**2,161,953**	591,172	**16,925**	19,343
Trade and other receivables	8	**407,759**	469,443	-	-
Investment properties	9	**2,333,526**	939,576	-	-
Investments in equity accounted investees	10	**156,712**	-	-	-
Net investment in finance leases	11	**1,235,436**	1,003,378	-	-
Loans	12	**1,189,285**	311,701	-	-
Investments in subsidiary companies	13	-	-	**2,811,143**	1,893,280
Other investments	14	**5,214,411**	2,772,813	**25,837**	30,100
Deferred tax assets	15	**72,223**	117,875	-	-
Total non-current assets		**16,169,697**	8,309,503	**2,861,835**	1,944,532
Inventories	16	**1,280,060**	921,250	-	-
Trade and other receivables	8	**3,361,930**	2,888,906	**729,787**	781,788
Net investment in finance leases	11	**551,909**	827,510	-	-
Loans	12	**966,079**	12,242	-	-
Deposits with financial institutions	17	-	94,630	-	-
Cash and cash equivalents	31(c)	**3,360,159**	1,496,411	**781,263**	618,590
Total current assets		**9,520,137**	6,240,949	**1,511,050**	1,400,378
Total Assets		**25,689,834**	14,550,452	**4,372,885**	3,344,910
Equity					
Share capital	18	**95,074**	95,074	**95,074**	95,074
Reserves		**636,265**	401,147	**261,453**	261,453
Retained earnings		**849,087**	732,182	**294,661**	131,782
Total equity attributable to equity holders of the Company		**1,580,426**	1,228,403	**651,188**	488,309
Minority interest		**981,600**	173,301	-	-
Total equity		**2,562,026**	1,401,704	**651,188**	488,309

The notes on pages 39 to 99 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet (cont'd)

as at 31 December 2008

	Note	Group 2008 MUR'000s	Group 2007 MUR'000s (Restated)	Company 2008 MUR'000s	Company 2007 MUR'000s
Liabilities					
Insurance and investment contracts	19	**9,346,754**	4,524,765	-	-
Loans and borrowings	20	**1,532,269**	576,974	**241,951**	331,406
Employee benefits	21	**123,004**	115,420	-	-
Customers' deposits	22	**1,677,126**	999,275	-	-
Deferred tax liabilities	15	**187,553**	102,088	-	-
Total non-current liabilities		**12,866,706**	6,318,522	**241,951**	331,406
Insurance and investment contracts	19	**1,331,388**	762,927	-	-
Bank overdrafts	31(c)	**1,725,545**	1,769,138	**637,748**	880,881
Loans and borrowings	20	**896,194**	786,615	**624,457**	199,457
Customers' deposits	22	**3,837,680**	1,360,407	-	-
Trade and other payables	23	**2,422,579**	2,116,235	**2,217,541**	1,435,300
Taxation		**47,716**	34,904	-	9,557
Total current liabilities		**10,261,102**	6,830,226	**3,479,746**	2,525,195
Total liabilities		**23,127,808**	13,148,748	**3,721,697**	2,856,601
Total equity and liabilities		**25,689,834**	14,550,452	**4,372,885**	3,344,910

These consolidated financial statements have been approved for issue by the Board of Directors on 29 May 2009.

Saleem R. Beebeejaun - Director

Shivananda P. Mootien - Director

The notes on pages 39 to 99 are an integral part of these consolidated financial statements.

Consolidated Income Statement
for the year ended 31 December 2008

	Note	Group 2008 MUR'000s	Group 2007 MUR'000s (Restated)	Company 2008 MUR'000s	Company 2007 MUR'000s
GROSS REVENUE	24	**13,407,087**	8,553,471	**697,801**	277,222
NET REVENUE	24	**12,421,762**	7,791,768	**697,801**	277,222
EXPENSES	25	**(11,688,597)**	(7,389,797)	**(149,126)**	(22,536)
Results from operating activities		**733,165**	401,971	**548,675**	254,686
Finance expenses	26	**(514,400)**	(299,660)	**(343,877)**	(206,427)
Share of profit of equity accounted investees	10	**(11,090)**	-	-	-
Profit before taxation	27	**207,675**	102,311	**204,798**	48,259
Taxation	28	**(75,363)**	2,096	**4,667**	(10,204)
Profit for the year		**132,312**	104,407	**209,465**	38,055
Attributable to:					
Equity holders of the Company		**276,917**	102,217	**209,465**	38,055
Minority interest		**(144,605)**	2,190	-	-
Profit for the year		**132,312**	104,407	**209,465**	38,055
Earnings per share (MUR)	29	**2.91**	1.08	**2.20**	0.40

The notes on pages 39 to 99 are an integral part of these consolidated financial statements.

GROUP

	Note	*Attributable to* Share capital MUR'000s	Revaluation reserve MUR'000s
At 1 January 2007			
- as previously stated		95,074	263,662
- prior year adjustments (Note (a) below)		-	(1,889)
- as restated		95,074	261,773
Currency translation differences		-	-
Revaluation surplus		-	102,993
Net gains/(losses) not recognised in the consolidated income statement		-	102,993
Deferred tax arising on revaluation of buildings	15	-	1,657
Deferred tax release	15	-	8,395
Transfer		-	(2,354)
Net profit for the year		-	-
Dividends to equity holders	30	-	-
Other movements		-	-
At 31 December 2007		**95,074**	**372,464**

Note (a): The prior year adjustments arose on the deconsolidation of one subsidiary and "one equity accounted investee" now accounted for as equity securities at fair value though profit or loss.

The notes on pages 39 to 99 are an integral part of these consolidated financial statements.

equity holders of the Company

Translation reserve	Other reserve	Retained earnings	Sub-total	Minority interest	**Total**
MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	**MUR'000s**
15,560	53,765	640,757	1,068,818	193,249	1,262,067
(12,985)	-	33,440	18,566	(75,799)	(57,233)
2,575	53,765	674,197	1,087,384	117,450	1,204,834
(27,657)	-	-	(27,657)	218	(27,439)
-	-	-	102,993	3,758	106,751
(27,657)	-	-	75,336	3,976	79,312
-	-	-	1,657	(45)	1,612
-	-	-	8,395	45	8,440
-	-	2,354	-	-	-
-	-	102,217	102,217	2,190	104,407
-	-	(46,586)	(46,586)	(7,466)	(54,052)
-	-	-	-	57,151	57,151
(25,082)	**53,765**	**732,182**	**1,228,403**	**173,301**	**1,401,704**

GROUP

	Note	*Attributable to* Share capital MUR'000s	Statutory reserve MUR'000s
At 1 January 2008			
- as previously stated		95,074	-
- prior year adjustments (Note (a) below)			-
- as restated		95,074	-
Currency translation differences		-	-
Revaluation surplus		-	-
Net gains not recognised in the consolidated income statement		-	-
Deferred tax arising on revaluation of buildings	15	-	-
Other transfers		-	6,620
Increment in value of in-force business transferred to other reserves		-	-
Investment property - fair value gains, net of deferred income tax, transferred to other reserves		-	-
Net profit for the year		-	-
Dividends to equity holders	30	-	-
Other movements		-	5,000
At 31 December 2008		**95,074**	**11,620**

Note (a): The prior year adjustments arose on the deconsolidation of one subsidiary and "one equity accounted investee" now accounted for as equity securities at fair value through profit or loss.

COMPANY

	Note	Share capital MUR'000s	Other reserve MUR'000s
At 1 January 2007		95,074	261,453
Net profit for the year		-	-
Dividends to equity holders	30	-	-
At 31 December 2007		**95,074**	**261,453**
At 1 January 2008		95,074	261,453
Net profit for the year		-	-
Dividends to equity holders	30	-	-
At 31 December 2008		**95,074**	**261,453**

The notes on pages 39 to 99 are an integral part of these consolidated financial statements.

equity holders of the Company

General banking reserve	Revaluation reserve	Translation reserve	Other reserve	Retained earnings	Sub-total	Minority interest	**Total**
MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	**MUR'000s**
-	382,323	(36,087)	53,765	698,585	1,193,660	287,898	1,481,558
-	(9,859)	11,005	-	33,597	34,743	(114,597)	(79,854)
-	372,464	(25,082)	53,765	732,182	1,228,403	173,301	1,401,704
-	-	56,816	-	-	56,816	33,746	90,562
-	89,276	-	-	-	89,276	1,434	90,710
-	89,276	56,816	-	-	146,092	35,180	181,272
-	(6,327)	-	-	-	(6,327)	-	(6,327)
1,742	58,277	-	-	(66,639)	-	-	-
-	-	-	36,656	(36,656)	-	-	-
-	-	-	(10,819)	10,819	-	-	-
-	-	-	-	276,917	276,917	(144,605)	132,312
-	-	-	-	(46,586)	(46,586)	(6,573)	(53,159)
-	-	-	(2,123)	(20,950)	(18,073)	924,297	906,224
1,742	**513,690**	**31,734**	**77,479**	**849,087**	**1,580,426**	**981,600**	**2,562,026**

Retained earnings	Total
MUR'000s	MUR'000s
140,313	496,840
38,055	38,055
(46,586)	(46,586)
131,782	**488,309**
131,782	488,309
209,465	209,465
(46,586)	(46,586)
294,661	**651,188**

Consolidated Cash Flow statement

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Group		Company	
		2008	2007	2008	2007
		MUR'000s	MUR'000s (Restated)	MUR'000s	MUR'000s
Cash flows from operating activities					
Cash generated from operations	31(a)	**1,145,615**	1,292,614	**479,305**	37,082
Interest paid	26	**(514,400)**	(299,660)	**(343,877)**	(206,427)
Tax paid		**(17,010)**	(56,302)	**4,668**	(647)
Net cash from/(used in) operating activities		**614,205**	936,652	**140,096**	(169,992)
Cash flows from investing activities					
Interest received	24(a)	**314,086**	232,744	**29,954**	19,826
Dividends received		**29,096**	63,192	**20,368**	412,458
Proceeds from sale of property, plant and equipment		**27,902**	26,244	**-**	-
Proceeds from sale of other investments	14	**1,164,539**	21,053	**-**	-
Proceeds from sale of investment properties		**151,697**	-	**-**	-
Proceeds from investment by minority interest		**340,876**	66,437	**-**	-
Acquisition of subsidiaries, net of cash acquired	32(a)	**1,535,170**	(31,941)	**-**	-
Additional investment in subsidiaries		**-**	-	**(66,900)**	(73,143)
Acquisition of minority interest	32(b)	**(71,576)**	(35,125)	**-**	-
Acquisition of property, plant and equipment		**(1,147,811)**	(527,883)	**(6,671)**	(1,464)
Acquisition of investment properties	9	**(200,766)**	(97,833)	**-**	-
Acquisition of intangible assets	7	**(59,963)**	(38,046)	**-**	-
Acquisition of other investments	14	**(911,007)**	(174,091)	**-**	(30,100)
Net cash from/(used in) investing activities		**1,172,173**	(495,249)	**(23,249)**	327,577
Cash flows from financing activities					
Proceeds from borrowings		**573,135**	659,411	**485,000**	110,000
Repayment of borrowings		**(381,252)**	(638,713)	**(149,455)**	(538,928)
Payment of finance lease liabilities		**(17,761)**	(14,699)	**-**	(441)
Dividends paid	30	**(46,586)**	(46,586)	**(46,586)**	(46,586)
Dividends paid to minority interests		**(6,573)**	(7,506)	**-**	-
Net cash from/(used in) financing activities		**120,963**	(48,123)	**288,959**	(475,955)
Net increase/(decrease) in cash and cash equivalents		**1,907,341**	393,280	**405,806**	(318,370)
Cash and cash equivalents at 1 January		**(272,727)**	(666,007)	**(262,291)**	56,079
Cash and cash equivalents at 31 December	31(c)	**1,634,614**	(272,727)	**143,515**	(262,291)

The notes on pages 39 to 99 are an integral part of these consolidated financial statements.

1. REPORTING ENTITY

British American Investment Co. (Mtius) Ltd (the "Company") is a company domiciled in the Republic of Mauritius. The address of the Company's registered office is 25, Pope Hennessy Street, Port-Louis, Republic of Mauritius. The consolidated financial statements of the Company as at and for the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity accounted investees. The Group is involved primarily in investment holding, transacting long-term (life and pensions) insurance businesses, banking, providing leasing facilities, retailing, stock-broking, mortgage financing, construction and property development, car dealership, tour operator and healthcare.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS); Guidelines and Guidance Notes issued by the Bank of Mauritius, in so far as the operation of the Bank is concerned.

The consolidated financial statements were authorised for issue by the Board of Directors on 29 May 2009.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

(i) derivative financial instruments are measured at fair value
(ii) financial instruments at fair value through profit or loss are measured at fair value
(iii) available-for-sale financial assets are measured at fair value
(iv) held-to-maturity securities are carried at amortised cost
(v) land and buildings are carried at revalued amounts
(vi) investment properties are measured at fair value.

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These consolidated financial statements are presented in Mauritian rupees (MUR), which is the Company's functional currency. All financial information presented in Mauritian rupees has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 9 – Investment property
Note 21 – Employee benefits
Note 24 – Revenue
Note 28 – Taxation
Note 32 – Business combinations
Note 33 – Financial instruments
Note 36 – Contingencies

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

(ii) Equity accounted investees (associates)

Equity accounted investees are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for using the equity method and are recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised directly in equity.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Mauritian rupees at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Mauritian rupees at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the forseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the foreign currency translation reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Accounting for finance expenses is discussed in note 3(o).

Held-to-maturity investments

If the Group and the Company have the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

The Group's and the Company's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(j)), and foreign currency differences on available-for-sale monetary items (see note 3(b)), are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group and the Company manage such investments and make purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis, or realises the asset and settles the liability simultaneously.

(ii) Derivative financial instruments and hedging

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Foreign exchange contracts

Foreign exchange contracts, are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Derivative financial instruments and hedging (continued)

Hedging
The method of recognising the resulting fair value gains or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group's banking activities designate certain derivatives as either (i) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge); or, (ii) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group's banking activities derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounts are recognised immediately in profit or loss.

(iii) Share capital

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity.

Repurchase of share capital (treasury shares)
When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

(d) Property, plant and equipment

(i) Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land and buildings are subsequently shown at market value, based on annual valuations by independent and professionally qualified valuers, less subsequent depreciation for buildings.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transfered to retained earnings.

(ii) Reclassification to investment properties
Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is remeasured to fair value and reclassified as investment property. Any gain or loss arising on remeasurement is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(ii) Reclassification to investment properties (continued)

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in the revaluation reserve directly in equity. Any loss is recognised in the revaluation reserve directly in equity to the extent that an amount is included in equity relating to the specific property, with any remaining loss recognised immediately in profit or loss.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The rates for the current and comparative periods are as follows:

	Rates
Buildings	1.00% to 2.00%
Leasehold improvements	2.00% to 20.00%
Tools and equipment	10.00% to 20.00%
Office equipment	10.00%
Computer equipment	20.00%
Furniture, fixtures and fittings	12.00% to 20.00%
Motor vehicles	20.00%
Assets held under operating leases	14.00% to 33.33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(e) Intangible assets

(i) Goodwill

Goodwill and negative goodwill arise on the acquisition of subsidiaries and equity accounted investees.

It represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Acquisitions of minority interests

Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Intangible assets

(ii) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line basis over their specific useful lives.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Value of in-force business

On acquisition of a portfolio of long term contracts, the net present value of the Shareholders' interest in the expected after-tax cash flows of the in-force business is capitalised in the balance sheet as an asset. The value of in-force business is subsequently determined by the Directors on an annual basis, based on the advice of the approved actuary. The valuation represents the discounted value of projected future transfers to Shareholders from policies in force at the year end, after making provision for taxation. In determining this valuation, assumptions relating to future mortality, persistence and levels of expenses are based on experience of the type of business concerned. Gross investment returns assumed vary depending on the mix of investments held and expected market conditions. All movements in the in-force business valuation are credited or debited to the profit and loss account. They are subsequently transferred out of retained earnings to other reserves.

(vi) Amortisation

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The rates used for the current and comparative periods are as follows:

	Rates
Computer software	20% - 33%
Intellectual property rights	10%

(f) Investment properties

Investment properties are property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at fair value with any change therein recognised in the profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(g) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and, except for investment property, the leased assets are not recognised on the Group's balance sheet. Investment property held under an operating lease is recognised on the Group's balance sheet at its fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Construction work in progress

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work in progress is presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

(j) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Group's and the Company's non-financial assets, other than investment properties, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Impairment (continued)

(ii) Non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Employee benefits

(i) Defined benefit plans

The Group has recently established a new defined contribution pension plan under trust to cover substancially all its employees in due course.
Contributions to the defined contribution pension plan are charged to profit or loss in the period in which they fall due.

(ii) Defined benefit pension plans

The Group sponsors a number of historical defined benefit plans which are externally funded.

The present value of funded obligations is recognised in the balance sheet as a non current liability after adjusting for the fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost. The valuation of the funded obligations is carried out annually by Hewitt LY Ltd, an independent firm of actuaries.

The current service cost and any recognised past service cost are included as an expense together with the associated interest cost, net of expected return of plan assets.

A portion of the actuarial gains and losses will be recognised as income or expense if the net cumulative unrecognised actuarial gains and losses at the end of the previous period exceeded the greater of:
(i) 10% of the present value of the defined benefit obligation at that date; and
(ii) 10% of the fair value of plan assets at that date.

(iii) Other retirement benefits

The present value of other retirement benefits in respect of gratuities under the Employment Rights Act is recognised in the balance sheet as a non current liability. The valuation of these unfunded defined benefit obligations is also carried out annually by Hewitt LY Ltd.

(iv) State plan

Contributions to the National Pension Scheme and the National Savings Fund are charged to profit or loss in the period in which they fall due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Restructuring

A provision for restructuring is recognised when the Group and the Company have approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

(m) Revenue

(i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale.

(ii) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(iii) Gross insurance premium

Gross insurance premium are accounted for on a receivable basis.

(iv) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue (continued)

(v) Commissions

When the Group and the Company act in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group and the Company.

(vi) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(n) Accounting for leases

(i) Where Group is the lessee

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(ii) Where Group is the lessor

When assets are sold under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets. Rental income is recognised on a straight line basis over the lease term.

(o) Finance expenses

Finance expenses comprise interest expense on borrowings.

(p) Income tax

Income tax expense comprises current, deferred and withholding tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income tax (continued)

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Earnings per share

The Group and the Company present basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(r) Classification of insurance contracts

Contracts under which the Group accept significant insurance risk from another party (the policyowner) by agreeing to compensate the policyowner or other beneficiary if a specified and certain future events (the insured event) adversely affects the policyowner or other beneficiary are classified as insurance contracts. As a general guideline, the Group defines, as significant insurance risk, the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

A number of insurance and investment contracts contain a DPF ("Discretionary participation feature"). This feature entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

- that are likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the Group; and
- that are based on realised and/or unrealised investment returns on underlying assets held by the Group.

Statutory regulations and the terms and conditions of these contracts set out the bases for the determination of the amounts on which the additional discretionary benefits are based (the DPF eligible surplus), and within which the Group may exercise its discretion as to the quantum and timing of their payment to contract holders, also considering the advice of the approved actuary.

With the exception of the single premium "Super Saver Plan" which is an investment contract, all other contracts issued by the Group transfer significant insurance risk and therefore meet the definition of an insurance contract. However, since the single premium "Super Saver Plan" portfolio is immaterial, the Group continues to account for these contracts as insurance contracts.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Reinsurance

The Group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Reinsurance arrangements do not relieve the Group from its direct obligations to its policyowners. Premiums ceded and benefits reimbursed are presented in the profit or loss and balance sheet on a gross basis.

Amounts recoverable under reinsurance contracts are assessed for impairment at each balance sheet date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

(t) Liabilities and related assets under liability adequacy test

Insurance contracts are tested for adequacy by discounting current estimates of all contractual cash flows and comparing this amount to the carrying value of the liability and any related assets. Where a shortfall is identified, an additional provision is made and the Group recognises the deficiency in income for the year.

(u) Reserves for insurance funds

The reserves for future policy owner benefits are determined by actuarial valuation. The reserving methods and assumptions used are based on past experience and assumptions as to (i) future investment yields and (ii) mortality and morbidity. Reserves for personal insurance life products are calculated using the full preliminary term or similar methods assuming interest and investment yield rates of between 5.00% and 12.00%.

(v) Fiduciary activities

Client monies are held by the Group as a result of clients' trades that have not yet been fulfilled. They are not included in the financial statements as these assets are held in a fiduciary capacity.

(w) Repurchase transactions

Investments sold under repos are classified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge and are measured in accordance with the accounting policy as held-to-maturity and the counter party liability is included in borrowings.

The difference between the sale and repurchase considerations is recognised on an accrual basis over the period of the transaction and is included in interest.

(x) Loans

Loans consist of mortgage loans, policyowner loans, other loans and advances to customers and are stated at outstanding principal less provisions. General and specific provisions for loan losses are established by charges to income based on management's evaluation of the loan portfolio, economic conditions, past loan losses and other relevant factors.

(y) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business and geographical segments. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Segment reporting (continued)

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(aa) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these financial statements:

IAS 1 Presentation of Financial Statements:

- Comprehensive revision including requiring a statement of comprehensive income (effective for annual periods beginning on or after 1 January 2009).
- Amendments relating to disclosure of puttable instruments and obligations arising on liquidation (effective for annual periods beginning on or after 1 January 2009).
- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 16 Property, Plant and Equipment:

- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 19 Employee Benefits:

- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 20 Government Grants:

- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 23 Borrowing costs:

- Comprehensive revision to prohibit immediate expensing (effective for annual periods beginning on or after 1 January 2009).
- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 27 Consolidated and Separate Financial Statements:

- Consequential amendments arising from amendments to IFRS 3 (effective for annual periods beginning on or after 1 July 2009).
- Amendment relating to cost of an investment on first-time adoption (effective for annual periods beginning on or after 1 January 2009).
- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 28 Investments in Associates:

- Consequential amendments arising from amendments to IFRS 3 (effective for annual periods beginning on or after 1 July 2009).
- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) New standards and interpretations not yet adopted (continued)

IAS 29 Financial Reporting in Hyperinflationary Economies:

- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 31 Interests in Joint Ventures:

- Consequential amendments arising from amendments to IFRS 3 (effective for annual periods beginning on or after 1 July 2009).
- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 32 Financial Instruments: Presentation:

- Amendments related to puttable instruments and obligations arising on liquidation (effective for annual periods beginning on or after 1 January 2009).

IAS 36 Impairment of assets:

- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 38 Intangible assets:

- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 39 Financial Instruments:

- Recognition and Measurement - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).
- Recognition and Measurement - Amendments for eligible hedged items (effective for annual periods beginning on or after 1 July 2009).
- Recognition and Measurement – Amendments for derivatives when reclassifying financial instruments (effective for annual periods beginning on or after 30 June 2009).

IAS 40 Investment Property:

- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IAS 41 Agriculture:

- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 January 2009).

IFRS 1 First-time Adoption of International Financial Reporting Standards:

- Amendment relating to cost of an investment on first-time adoption (effective for annual periods beginning on or after 1 January 2009).

IFRS 2 Share-based Payment:

- Amendment relating to vesting conditions and cancellations (effective for annual periods beginning on or after 1 January 2009).

IFRS 3 Business Combinations:

- Comprehensive revision on applying the acquisition method (effective for annual periods beginning on or after 1 July 2009).

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:

- Amendments resulting from May 2008 Annual Improvements to IFRSs (effective for annual periods beginning on or after 1 July 2009).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) New standards and interpretations not yet adopted (continued)

IFRS 7 Financial Instruments: Disclosures:
– Amendments enhancing disclosures about fair value and liquidity risk (effective for annual periods beginning on or after 1 January 2009).

IFRS 8 Operating Segments:
– Effective for annual periods beginning on or after 1 January 2009.

IFRIC 13 Customer Loyalty Programme:
– Effective for annual periods beginning on or after 1 July 2008.

IFRIC 15 Agreements for the Construction of Real Estate:
– Effective for annual periods beginning on or after 1 January 2009.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation:
– Effective for annual periods beginning on or after 1 October 2008.

IFRIC 17 Distributions of Non-cash Assets to Owners:
– Effective for annual periods beginning on or after 1 July 2009.

IFRIC 18 Transfers of Assets from Customers:
– Effective for annual periods beginning on or after 1 July 2009.

4. DETERMINATION OF FAIR VALUES

A number of the Group's and the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment
The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Intangible assets
The fair value of intangible assets approximates their cost.

(iii) Investment properties
An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued, values the Group's investment properties portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

(iv) Inventories
The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

4. DETERMINATION OF FAIR VALUES (CONTINUED)

(v) Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

(vi) Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

5. RISK MANAGEMENT

The Group's and the Company's activities expose it to a variety of financial and insurance risks. A description of the significant risk factors is given below together with the risk management policies.

(a) Financial risk

The Group and the Company have exposure to the following risks from the use of financial instruments:
(i) Market risk
(ii) Credit risk
(iii) Liquidity risk

This note presents information about the Group's and the Company's exposure to each of the above risks, the Group's and the Company's objectives, policies and processes for measuring and managing risk, and the Group's and Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's and the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Key parameters for evaluating risks estimates include: position sensitivities, the market risk volatility, the holding period over which the change in portfolio value is measured, the confidence interval used to estimate exposure, the historical period over which risk factor prices are observed, the method of estimation, and the approach to specific risk.

The Group's banking activities manages its market risks as follows:

- For General market risk – long and short position broken down by the timebands according to residual maturity or to duration; breakdown of positions by currency (main currencies relative to the activity of the firm).

5. RISK MANAGEMENT (CONTINUED)

(i) Market risk (continued)

Currency risk

The Group transacts in financial assets denominated in United States dollars, Great Britain Pound, European Euro, Maltese Lira, Kenyan Shillings, Malagasy Ariary, South African Rand and Japanese Yen. Consequently, the Group is exposed to the risk that the exchange rate of the MUR relative to these currencies may change in a manner which has a material effect on the reported values of the Group's assets which are denominated in these currencies.

The Group's banking activities manages its foreign currency risk through the use of Assets and Liabilities Committee ("ALCOM") which formulates a foreign-exchange risk management plan, monitoring the market for short-term opportunities, executing orders when favourable market opportunities arise, and make and accept payment in foreign currency.

The Group also considers the timely use of forward contracts. Once the Group commits to conduct a transaction in a foreign currency, it is exposed to market fluctuations. To manage this risk without undue stress, the Group buys or sells funds forward using the forward contract. The Group usually does short forwards ranging from three days to two weeks in length plus a delivery window of one to 30 days. This short forward is a risk-management tool to capture the rate of a good trading day and enables fixing their margin costs at any time.

Interest rate risk

The Group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group's significant interest bearing assets are loans, investment in finance leases and instalment trade debtors on which interest, determined based on the market interest rate is applied.

The Group's investments in fixed-rate debt securities and its fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's investments in variable-rate debt securities and its variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not exposed to interest rate risk.

The Group's banking activities monitors its interest rate risk through ALCOM as follows:
- Marking to market, by calculating the net market value of the assets and liabilities.
- Measuring the mismatch of the interest sensitivity gap of assets and liabilities, by classifying each asset and liability by the timing of interest rate reset or maturity, whichever comes first.
- Evaluate re-pricing risk which is the risk presented by assets and liabilities that re-price at different times and rates. For example, a loan with a variable rate will generate more interest income when rates rise and less interest income when rates fall. If the loan is funded with fixed rated deposits, the bank's interest margin will fluctuate.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk is primarily attributable to its mortgage loans receivable, investment in finance leases and trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's and the Company's management based on prior experience.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. To manage the level of credit risk, the Group deal with counterparties of good credit standing, and when appropriate, obtains collateral. The Group's policy is to require suitable collateral to be provided by certain customers prior to the disbursement of approved loans. Guarantees and letters of credit are also subject to strict credit assessments before being provided. The agreements specify monetary limits to the Group's obligations. Collateral for loans, guarantees, and letters of credit is usually in the form of cash, inventory, listed investments, or other property. Credit evaluations are performed on all customers requiring credit over a certain amount.

5. RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Company's reputation.

Typically the Group and the Company ensure that it has sufficient cash on demand to meet expected operational expenses for a period of time, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group is exposed to calls on its available cash resources from maturing life policies and customers' deposits and loans. Other than maturing life policies which are concentrated in the Group's life insurance business, calls on cash resources arising from maturing deposits and loans arise mainly from the Group's leasing business which is carried out through a subsidiary.

The Group's banking business through ALCOM measures liquidity position on an ongoing basis and examine how funding requirements are likely to evolve under diverse scenarios, including adverse conditions. ALCOM performs scenario tests, taking reasonable steps to identify realistic adverse scenarios based on varying situations, both bank-specific and market-wide difficulties. ALCOM assigns timing of cash flows for each type of asset and liability by assessing the probability of cash flows behaviour under the scenario being examined.

(b) Insurance risk management

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

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the 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. 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 risk 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 and geographical location.

Frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics or wide spread changes in lifestyle, resulting in earlier or more claims than expected.

At present, these risks do not vary significantly in relation to the location of the risk insured by the Group. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating terms and conditions that reduce the insurance risk accepted.

The Group manages these risks through its underwriting strategy and reinsurance agreements. The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. Medical selection is also included in the Group's underwriting procedures with premiums varied to reflect the health condition and lifestyle of the applicants.

5. RISK MANAGEMENT (CONTINUED)

(b) Insurance risk management (continued)

The Group has retention limits on any single life assured for term business or risk premium business. The Group reinsures the excess of the insured benefits over approved retention limits under a treaty reinsurance arrangement. Facultative reinsurance is selectively sought for non-standard risks that are not covered by the treaty reinsurance arrangement where the Group has decided to accept the insurance risk. Short term insurance contracts are also protected through a combination of selective quota share and surplus reinsurance.

In general, all large sums assured are facultatively reinsured on terms that substantially limit the Group's maximum net exposure. The Directors consider that all other business is adequately protected through treaty reinsurance with a reasonable spread of benefits payable according to the age of the insured, and the size of the sum assured.

Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long term insurance contracts arises from the unpredictability of long term changes in overall levels of mortality and the variability in contract holder behaviour. The Group uses appropriate base tables of standard mortality according to the type of contract being written. The Group does not take credit for future lapses in determining the liability for long term contracts in accordance with the insurance rules regulating its calculation.

(c) Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations. The Group seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control, and report such risks.

The development and implementations of controls to address operational risk is assigned to senior management within each function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective

(d) Capital management

The Group's and the Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group and the Company manage capital with the following objectives where applicable for their activities:

- To comply with capital requirements set by the Bank of Mauritius as applicable.
- To enable the continuation as a going concern to provide returns to the shareholders and enlarge other stakeholders benefits.
- To build a solid capital base to fuel growth and development of its business.

There were no changes in the Group's and the Company's approach to capital management during the year.

6. PROPERTY, PLANT AND EQUIPMENT

GROUP	Note	Freehold land and buildings	Leaseholds improvements	Tools and equipment
		MUR'000s	MUR'000s	MUR'000s
Cost or deemed cost				
Balance at 1 January 2007				
Cost		694,568	159,554	67,596
Valuation		338,816	30,971	-
Adjustments arising on deconsolidation of subsidiary		(730)	-	-
		1,032,654	190,525	67,596
Acquisitions through business combinations	32(a)	-	-	-
Effect of movements in exchange rates		-	(478)	-
Additions		29,942	7,377	34,243
Reclassification		-	-	-
Disposals		(7,549)	(831)	(550)
Transfer to investment properties	9	(173,030)	-	-
Revaluation surplus		96,895	2,254	-
Balance at 31 December 2007		**978,912**	**198,847**	**101,289**
Depreciation and impairment losses				
Balance at 1 January 2007		15,240	31,183	32,325
Adjustments arising on deconsolidation of subsidiary		(3)	-	-
		15,237	31,183	32,325
Acquisitions through business combinations	32(a)	-	-	-
Effect of movements in exchange rates		-	(448)	-
Reclassification		-	-	-
Depreciation for the year		2,580	8,133	7,867
Disposals		(350)	(390)	(453)
Revaluation adjustment		(2,321)	(1,758)	-
Balance at 31 December 2007		**15,146**	**36,720**	**39,739**
Carrying amounts				
At 1 January 2007		1,017,417	159,342	35,271
At 31 December 2007		**963,766**	**162,127**	**61,550**

Office equipment MUR'000s	Computer equipment MUR'000s	Furniture, fixtures and fittings MUR'000s	Motor vehicles MUR'000s	Assets held under lease MUR'000s	Assets in progress MUR'000s	Total MUR'000s
87,600	146,585	374,371	251,999	241,258	-	2,023,531
-	-	-	-	-	-	369,787
(168)	-	(6,617)	-	-	-	(7,515)
87,432	146,585	367,754	251,999	241,258	-	2,385,803
231	2,548	14,578	635	-	-	17,992
(3)	(284)	(3,214)	(124)	-	-	(4,103)
7,916	13,095	40,930	63,854	107,574	282,515	587,446
(36)	-	36	-	-	-	-
(103)	(807)	(6,306)	(44,298)	(5,734)	-	(66,178)
-	-	-	-	-	-	(173,030)
-	-	-	-	-	-	99,149
95,437	**161,137**	**413,778**	**272,066**	**343,098**	**282,515**	**2,847,079**
38,984	108,028	202,311	116,657	85,891	-	630,619
(61)	-	(5,651)	-	-	-	(5,715)
38,923	108,028	196,660	116,657	85,891	-	624,904
219	1,435	2,540	635	-	-	4,829
(2)	(184)	(1,641)	(82)	-	-	(2,357)
(8)	-	8	-	-	-	-
6,176	8,386	47,584	35,821	42,899	-	159,446
(36)	(652)	(6,063)	(30,179)	(1,086)	-	(39,209)
-	-	-	-	-	-	(4,079)
45,272	**117,013**	**239,088**	**122,852**	**127,704**	**-**	**743,534**
48,509	38,557	171,094	135,342	155,367	-	1,760,899
50,165	**44,124**	**174,690**	**149,214**	**215,394**	**282,515**	**2,103,545**

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Note	Freehold land and buildings	Leaseholds improvements	Tools and equipment
		MUR'000s	MUR'000s	MUR'000s
Cost or deemed cost				
Balance at 1 January 2008				
Cost		543,201	165,622	101,289
Valuation		435,711	33,225	-
		978,912	198,847	101,289
Acquisitions through business combinations	32(a)	232,380	-	-
Effect of movements in exchange rates		1,208	-	-
Additions		40,993	42,414	18,859
Disposals		(1,500)	(1,826)	-
Transfer to investment properties	9	(146,546)	-	-
Transfer from investment properties	9	95,833	-	-
Impairment adjustments		-	-	(2,732)
Revaluation surplus		84,041	-	-
Balance at 31 December 2008		**1,285,321**	**239,435**	**117,416**
Depreciation and impairment losses				
Balance at 1 January 2008		15,146	36,720	39,739
Acquisitions through business combinations	32(a)	33,932	-	-
Effect of movements in exchange rates		(7,508)	-	-
Depreciation for the year		8,676	6,113	12,125
Impairment adjustments		-	-	(1,770)
Disposals		(64)	(1,826)	-
Revaluation adjustments		(4,167)	-	-
Balance at 31 December 2008		**46,015**	**41,007**	**50,094**
Carrying amounts				
At 1 January 2008		963,766	162,127	61,550
At 31 December 2008		**1,239,306**	**198,428**	**67,322**

Office equipment	Computer equipment	Furniture, fixtures and fittings	Motor vehicles	Assets held under operating lease	Assets in progress	Total
MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
95,437	161,137	413,778	272,066	343,098	282,515	2,378,143
-	-	-	-	-	-	468,936
95,437	161,137	413,778	272,066	343,098	282,515	2,847,079
-	72,623	241,084	36,258	-	-	582,345
6	-	5,145	458	-	-	6,817
10,739	28,053	71,431	61,063	96,210	805,911	1,175,673
(1,094)	(2,360)	(32,273)	(38,697)	(15,770)	-	(93,520)
-	-	-	-	-	-	(146,546)
-	-	-	-	-	-	95,833
(459)	(97)	-	(1,832)	-	-	(5,120)
-	-	-	-	-	-	84,041
104,629	**259,356**	**699,165**	**329,316**	**423,538**	**1,088,426**	**4,546,602**
45,272	117,013	239,088	122,852	127,704	-	743,534
-	27,192	143,389	22,776	-	-	227,289
(6)	-	8,159	48	-	-	693
5,566	15,971	87,795	45,785	55,160	-	237,191
-	(7)	-	(1,038)	-	-	(2,815)
(515)	(983)	(19,169)	(23,568)	(6,885)	-	(53,010)
(196)	-	-	(309)	-	-	(4,672)
50,121	**159,186**	**459,262**	**166,546**	**175,979**	**-**	**1,148,210**
50,165	44,124	174,690	149,214	215,394	282,515	2,103,545
54,508	**100,170**	**239,903**	**162,770**	**247,559**	**1,088,426**	**3,398,392**

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY	Office equipment	Computer equipment	Motor vehicle	Furniture, fixtures & fittings	Total
	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Cost or deemed cost					
Balance at 1 January 2007	361	461	5,117	-	5,939
Reclassification	(36)	-	-	36	-
Additions	630	619	-	215	1,464
Disposal adjustment	-	-	(5,117)	-	(5,117)
Balance at 31 December 2007	**955**	**1,080**	**-**	**251**	**2,286**
Depreciation and impairment losses					
Balance at 1 January 2007	54	92	2,371	-	2,517
Reclassification	(8)	-	-	8	-
Depreciation for the year	108	195	129	28	460
Disposal adjustment	-	-	(2,500)	-	(2,500)
Balance at 31 December 2007	**154**	**287**	**-**	**36**	**477**
Carrying amounts					
At 1 January 2007	307	369	2,746	-	3,422
At 31 December 2007	**801**	**793**	**-**	**215**	**1,809**
Cost or deemed cost					
Balance at 1 January 2008	955	1,080	-	251	2,286
Additions	2,435	1,831	-	2,405	6,671
Balance at 31 December 2008	**3,390**	**2,911**	**-**	**2,656**	**8,957**
Depreciation and impairment losses					
Balance at 1 January 2008	154	287	-	36	477
Depreciation for the year	147	283	-	120	550
Balance at 31 December 2008	**301**	**570**	**-**	**156**	**1,027**
Carrying amounts					
At 1 January 2008	801	793	-	215	1,809
At 31 December 2008	**3,089**	**2,341**	**-**	**2,500**	**7,930**

(a) Additions include **MUR'000s 27,861** (2007 - MUR'000s 59,563) of assets leased under finance leases.

(b) Leased assets included above comprise :

	GROUP Motor vehicles		COMPANY Motor vehicle	
	2008	2007	**2008**	2007
	MUR'000s	MUR'000s	**MUR'000s**	MUR'000s
Cost - capitalised finance leases	**305,121**	172,720	-	-
Accumulated depreciation	**(61,497)**	(54,318)	-	-
Net book value	**243,624**	118,402	-	-

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) The Group's land and buildings were revalued in 2008 by Messrs Alan Tinkler and Ramlackhan & Co., Chartered Surveyors. Valuations were made on the basis of the market value for existing use. The book values of the properties were adjusted to the revalued amounts and the resultant surplus net of deferred income taxes was credited to revaluation reserve in shareholders' equity.

(d) If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

GROUP	**2008**	2007
	MUR'000s	MUR'000s
Cost	**654,503**	613,510
Accumulated depreciation	**(12,288)**	(9,347)
Net book value	**642,215**	604,163

(e) Bank borrowings are secured by fixed and floating charges on the above assets.

7. INTANGIBLE ASSETS

GROUP

	Goodwill	Intellectual property rights	Computer software	Total
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Cost				
Balance at 1 January 2007	499,747	24,179	123,024	646,950
Adjustments arising on deconsolidation of subsidiary	(31,588)	-	-	(31,588)
	468,159	24,179	123,024	615,362
Effect of movements in exchange rates	-	-	(1,452)	(1,452)
Additions	58,791	-	38,046	96,837
Balance at 31 December 2007	**526,950**	**24,179**	**159,618**	**710,747**
Amortisation and impairment losses				
Balance at 1 January 2007	23,808	2,418	73,856	100,082
Effect of movements in exchange rates	-	-	8,545	8,545
Amortisation for the year	-	2,418	8,530	10,948
Balance at 31 December 2007	**23,808**	**4,836**	**90,931**	**119,575**
Carrying amounts				
At 1 January 2007	444,351	21,761	49,168	515,280
At 31 December 2007	**503,142**	**19,343**	**68,687**	**591,172**

7. INTANGIBLE ASSETS (CONTINUED)

GROUP

	Goodwill	Value of in-force business	Intellectual property rights	Computer software	Total
	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Cost					
Balance at 1 January 2008	558,538	-	24,179	159,618	742,335
Adjustments arising on deconsolidation of subsidiary	(31,588)	-	-	-	(31,588)
	526,950	-	24,179	159,618	710,747
Acquisitions through business combinations (Note 32(a))	222,073	95,581	-	89,141	406,795
Effect of movements in exchange rates	-	-	-	505	505
Impairment	(30,204)	-	-	(1,198)	(31,402)
Additions	1,274,917	36,656	-	23,307	1,334,880
Balance at 31 December 2008	**1,993,736**	**132,237**	**24,179**	**271,373**	**2,421,525**
Amortisation and impairment losses					
Balance at 1 January 2008	23,808	-	4,836	90,931	119,575
Acquisitions through business combinations (Note 32(a))	-	-	-	53,033	53,033
Effect of movements in exchange rates	-	-	-	250	250
Amortisation for the year	56,076	-	2,418	28,220	86,714
Balance at 31 December 2008	**79,884**	**-**	**7,254**	**172,434**	**259,572**
Carrying amounts					
At 1 January 2008	503,142	-	19,343	68,687	591,172
At 31 December 2008	**1,913,852**	**132,237**	**16,925**	**98,939**	**2,161,953**

COMPANY

	Intellectual property rights	
	2008	2007
	MUR'000s	MUR'000s
Cost		
Balance at 1 January	**24,179**	24,179
Amortisation and impairment losses		
Balance at 1 January	**4,836**	2,418
Amortisation for the year	**2,418**	2,418
Balance at 31 December	**7,254**	4,836
Carrying amounts		
At 1 January	**19,343**	21,761
At 31 December	**16,925**	19,343

8. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Current		(Restated)		
Trade receivables (note (a) below)	1,373,542	1,503,180	-	-
Premiums and other insurance receivables	11,754	11,124	-	-
Receivables from subsidiary companies	682,970	-	434,577	583,369
Other receivables	1,293,664	1,374,602	295,210	198,419
	3,361,930	2,888,906	729,787	781,788
Non-current				
Instalment debtors including unearned service charges	448,389	523,407	-	-
Less: unearned service charges	(40,630)	(53,964)	-	-
	407,759	469,443	-	-
	3,769,689	3,358,349	729,787	781,788

(a) Trade receivables

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
		(Restated)		
Instalment debtors including unearned service charges	946,209	992,722	-	-
Less: unearned service charges	(170,430)	(180,488)	-	-
	775,779	812,234	-	-
Other trade receivables	597,763	690,946	-	-
	1,373,542	1,503,180	-	-

The Group's and the Company's exposure to credit and currency risks and impairment relating to trade and other receivables (excluding construction work in progress) are disclosed in note 33.

9. INVESTMENT PROPERTIES

GROUP	Note	2008	2007
		MUR'000s	MUR'000s
			(Restated)
Balance at 1 January		1,193,106	683,582
Adjustments arising on deconsolidation of subsidiary		(253,530)	(138,395)
		939,576	545,187
Adjustments arising on consolidation of subsidiaries	32(a)	1,143,297	-
Acquisitions		200,766	97,833
Disposals		(112,797)	-
Transfer to property, plant and equipment	6	(95,833)	-
Transfer from property, plant and equipment	6	146,546	173,030
Transfer from other investments	14	4,486	-
Change in fair value	24(i)	107,485	123,526
Balance at 31 December		2,333,526	939,576

The investment properties are valued annually at fair value by Messrs Alan Tinkler and Ramlackhan & Co., Chartered Surveyors on an open market basis.

9. INVESTMENT PROPERTIES (CONTINUED)

Gains and losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

GROUP

	2008	2007
Rental income	MUR'000s	MUR'000s
Rental income from investment properties (Note 27)	2,953	4,099
Direct operating expenses arising from:		
Investment properties generating income	3,496	2,674
Investment properties not generating income	430	-
	3,926	2,674

10. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

GROUP

	2008	2007
	MUR'000s	MUR'000s
At 1 January		(Restated)
- as previously stated	430,385	114,604
- prior year adjustment (note (i) below)	(430,385)	(114,604)
- as restated	-	-
Acquisitions through business combinations (note 32(a))	167,802	-
Share of loss	(11,090)	-
At 31 December	156,712	-

Note (i): This relates to "one equity accounted investee", now accounted for as equity securities at fair value through profit or loss.

(b) Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group:

GROUP

	2008	2007
	MUR'000s	MUR'000s
Assets	638,895	-
Liabilities	(256,671)	-
Net assets	382,224	-
Loss for the year	(27,048)	-

10. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (CONTINUED)

GROUP

Associated companies, all of which are unlisted, are as follows:

Name of company	Country of Incorporation & operation	Year ended	Main business	Class of shares held	% Holding	
					2008	2007
Global Transport Services Limited	British Virgin Island	31 December	Investment	Ordinary	-	50
Central Lake Trading 132 (Proprietary) Limited	Republic of South Africa	28 February	Car Dealership	Ordinary	**50**	50
British American Investments Company (Kenya) Limited	Republic of Kenya	31 December	Investment	Ordinary	- *	36.67
British American Insurance Company (Kenya) Limited	Republic of Kenya	31 December	Insurance	Ordinary	- *	36.67
British American Asset Managers Limited	Republic of Kenya	31 December	Asset Management	Ordinary	- *	36.67
Metropolis Developments Limited	Malta	31 December	Construction	Ordinary	**41**	-

** These equity accounted investees are now accounted for as equity securities at fair value through profit or loss.*

11. NET INVESTMENT IN FINANCE LEASES

GROUP

	2008	2007
	MUR'000s	MUR'000s
Gross investment in finance lease receivable	**1,825,648**	2,264,426
Less: Unearned future finance income on finance leases	**-**	(433,538)
Provision for bad debts	**(38,303)**	-
Net investment in finance leases	**1,787,345**	1,830,888

The net investment in finance leases can be analysed as follows:	**2008**	2007
	MUR'000s	MUR'000s
Current		
- repayable within one year	**551,909**	827,510
Non-current		
- after one year and before five years	**1,189,626**	908,866
- after five years	**45,810**	94,512
	1,235,436	1,003,378
	1,787,345	1,830,888

12. LOANS

GROUP

	2008 MUR'000s	2007 MUR'000s
Current		
Mortgage loans	3,597	4,967
Policyowner loans	7,894	7,275
Other loans and advances	954,588	-
	966,079	12,242
Non-current		
Mortgage loans	248,263	299,216
Policyowner loans	32,744	12,485
Other loans and advances	908,278	-
	1,189,285	311,701
	2,155,364	323,943
Gross mortgage loans (note (a) below)	259,854	323,053
Policyowner loans (note (c) below)	40,638	19,760
Other loans and advances (note 12 (d))	1,862,866	-
	2,163,358	342,813
Less: Provision for bad debts and specific allowances for impairment	(7,994)	(18,870)
	2,155,364	323,943

(a) Gross mortgage loans can be analysed as follows:

GROUP

	2008 MUR'000s	2007 MUR'000s
Loans to Directors	-	34,409
Loans to companies in which Directors have a controlling interest	34,300	4,547
Loans to third parties	225,554	284,097
	259,854	323,053

(b) Net mortgage loans can be analysed as follows:

GROUP

	2008 MUR'000s	2007 MUR'000s
- repayable within one year	3,597	4,967
- after one year and before two years	16,554	10,679
- after two years and before five years	79,885	105,912
- after five years	151,824	182,625
	251,860	304,183

(c) Policyowner loans can be analysed as follows:

GROUP

Loans to third parties:

	2008 MUR'000s	2007 MUR'000s
- repayable within one year	7,894	7,275
- after one year and before two years	4,552	2,777
- after two years and before five years	19,844	8,478
- after five years	8,348	1,230
	40,638	19,760

Loans to policyowners are secured by the surrender value of the related policy and bear interest at rates varying between 9% and 14 %.

12. LOANS (CONTINUED)

(d) Other loans and advances can be analysed as follows:

GROUP

	2008	2007
	MUR'000s	MUR'000s
- repayable within one year	954,588	-
- after one year and before two years	88,018	-
- after two years and before five years	111,875	-
- after five years	708,385	-
	1,862,866	-

13. INVESTMENTS IN SUBSIDIARY COMPANIES

COMPANY	Note		
Unquoted		2008	2007
		MUR'000s	MUR'000s
Balance at 1 January		1,893,280	1,715,953
Additions		71,476	355,195
Disposals		-	(40)
Adjustment (note (a))		(35)	(177,828)
Change in fair value	24 (i)	846,422	-
Balance at 31 December		2,811,143	1,893,280

Note (a) : The adjustment relates to dividend received during the year from a subsidiary paid out from pre-acquisition retained earnings.

Bank borrowings are secured by floating charges on the above assets.

13. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

(a) The Financial Statements of the following subsidiaries have been included in the consolidated financial statements:

	% holding		Nominal value of investment
	2008	2007	MUR'000s
FINANCIAL SERVICES			
** Asmo Securities & Investments Ltd	**100**	100	11,000
* BA Treasury Co Ltd	**100**	100	9,990
* BA Sales Ltd	**100**	100	20
* BAFS Holding Co Ltd	**100**	-	10
** Bramer Asset Management Ltd	**100**	100	35,200
* Bramer Holding Ltd	**100**	100	481,220
** Bramer Securities Ltd	**60**	60	4,000
** Brammer Limited	**48.45**	-	134
** Bramer Banking Corporation Ltd	**100**	-	612,152
** BritAm Ltd	**66.5**	61.09	1,000
** British American Exchange Co Ltd	**100**	100	16,025
** British American Mortgage Finance House Co Ltd	**100**	100	500
* BAI Co. (Mtius) Ltd (formerly British American Insurance Co. (Mtius) Ltd)	**100**	100	356,526
** British American Financial Services Ltd	**100**	100	86,206
** British American (Kenya) Holdings Limited	**100**	100	113,000
** CMB Management Ltd	**80**	80	70
** Creative Capital Co Ltd	**100**	100	5,000
* Deen Banking Corporation Ltd	**80**	-	10
* Deen Holding Company Ltd	**80**	-	65,010
** GFSG (UK) Limited	**48.45**	-	65
** GlobalCapital p.l.c	**48.45**	-	1,484,483
** Global Estates Limited	**48.45**	-	89
** Global Properties Limited	**48.45**	-	121
** GlobalCapital Financial Management Limited	**48.45**	-	285,874
** GlobalCapital Fund Advisors Limited	**48.45**	-	5,167
** GlobalCapital Health Insurance Agency Limited	**48.45**	-	7,750
** GlobalCapital Holdings Limited	**48.45**	-	529,339
** GlobalCapital Insurance Brokers Limited	**48.45**	-	14,983
** GlobalCapital Investments Limited	**48.45**	-	5,167
** GlobalCapital Life Insurance Limited	**48.45**	-	351,325
** GlobalCapital Property Advisors Limited	**48.45**	-	52
** GlobalCapital Property Management Limited	**48.45**	-	52
** Globe Properties Limited	**47.97**	-	51,666
** Quadrant Italia Srl	**48.45**	-	443
** The Mauritius Leasing Company Limited	**66.5**	61.09	241,847
TRADE AND COMMERCE			
**ARC Luxhome Ltd	**100**	-	10
* Acre Services Ltd	**100**	-	10
**Arcasa (Mtius) Ltd	**100**	100	10
* Courts (Mauritius) Limited	**100**	100	802,849
**Courts (Madagascar) SARL	**100**	100	28,365
**Courts (Indian Ocean) Limited	**100**	100	14,824
**Compagnie Des Grandes Surfaces Ltee	**-**	100	2,550
**Finishing Touch International Ltd	**100**	100	10
**Furniture World SAS	**80**	80	10
**Hamid Hossen Ltd	**100**	-	-
**QC Systems and Technologies Ltd	**100**	100	10
**Quality Living Company Ltd	**100**	100	6,810
**Yee Chuin Koon & Co Ltd	**80**	60	53,800

13. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

	% holding 2008	% holding 2007	Nominal value of investment MUR'000s
TRANSPORTATION			
* Agence Generale de Commerce Ltee	**100**	-	10,450
**Chambrillon Investments Limited	**-**	100	18,788
**Camarfi Limited	**97.11**	97.11	25
**Car Clinic Ltd	**100**	100	25
**Duben Enterprise Ltd	**100**	100	7,000
**Fleetmaster Co. Ltd	**100**	100	700
* Hudson Bay Investments Holdings Ltd	**100**	100	445,000
**Iframac Limited	**97.11**	97.11	444,919
**Iframac Pre-Owned Ltd (formerly IDC Car World Limited)	**100**	100	5,100
**Iframac (Madagascar) SARL	**97.11**	97.11	15
**Magdalena Limited	**97.11**	97.11	25
**Motor Care Ltd	**97.11**	97.11	25
**Qualitread Ltd	**100**	-	1,000
**Societe West Point	**98**	98	76,344
**The International Dealership Company Limited	**100**	100	25
CONSTRUCTION & PROPERTY DEVELOPMENT			
**Buildfast Co Ltd	**84**	84	10
**Greensboro Promoters Ltd	**100**	100	25
**Ireko Climatics Ltd	**100**	-	10
**Ireko Construction Ltd (formerly Ireko Design and Construction Ltd)	**84**	84	35,437
**Ireko Design and Construction (Madagascar) SARL	**84**	84	10
**Ireko Facilities Ltd (formerly Facilities Management Services Ltd)	**100**	100	10
* Ireko Holdings Ltd (formerly British American Properties Limited)	**100**	100	111,125
**Ireko Interiors Ltd	**100**	100	12,725
**Ireko Lifts Ltd	**100**	-	10
**Ireko Property Ltd (formerly TerraNova Property Development Ltd)	**100**	100	94,630
**Ireko Realty Ltd	**100**	-	10
**Ireko Security Ltd	**100**	-	10
**Ireko Services Ltd	**84**	84	300
* Montevello Co Ltd	**50**	50	25
LEISURE & HOSPITALITY			
**BA Logistics Co. Ltd (formerly Green Lake Ltd)	**100**	100	5,010
**Blue Paradise Ltd	**100**	100	6,255
**British American Travel Company Ltd	**95**	95	2,850
**Budget Tours (Mauritius) Limited	**80**	80	10
**Elegance Yachts Ltd (formerly Deltona Ltd)	**100**	100	11,510
* Hot Springs Investment Holdings Limited	**100**	100	20,525
**Hot Springs Management Limited	**100**	-	10
**Itineraire Limitee	**100**	100	2,800
**Le Voyageur Travel & Tours Ltd	**100**	100	21,371
**Matelco Limited	**100**	100	25
**Rent A Car Co Ltd (formerly Agritec Car Hire Limited)	**100**	100	6,250
**Solis Indian Ocean Ltd	**80**	80	69,894
**Travel Harbour (Mtius) Limited	**100**	100	25

13. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

	% holding		Nominal value of investment
	2008	2007	MUR'000s
HEALTHCARE			
* Apollo Bramwell Nursing School Co Ltd (formerly Stafford Co.Ltd)	**100**	-	14,437
* BAI Medical Centres Ltd	**90.03**	100	225,746
* Bramwell Pharmaceuticals Co Ltd (formerly Castleberry Co.Ltd)	**100**	-	10
** British American Hospitals Entreprises Ltd	**66.62**	100	653,799
OTHERS			
* BA Corporate Services Ltd	**100**	100	5,000
* BACI Holding Co Ltd	**100**	-	10
**Beverley Hills Ltd	**100**	100	30
**Bram Three Co Ltd	**100**	-	10
**British-American (UK) Limited	**100**	100	19,227
* British American IP Ltd	**100**	100	10
**British American Management Company Limited	**100**	100	2,825
**Brunalli Co Ltd	**100**	-	10
**Cottonwood Investment Holdings Limited	**100**	100	25
**CMDM Communication Ltd	**85**	85	136
**Dollis Co Ltd	**100**	-	10
**Elysian Garden Ltd	**100**	100	56,100
**Fort Abaco Investment Holdings Limited	**100**	100	25
**Fort Stockton Co. Ltd	**100**	100	10
**Fort Worth Investment Holdings Ltd	**100**	100	10
**Forest Gardens Promotion Ltd	**100**	-	1
**Genvine Co Ltd	**100**	-	10
**Hennessy Company Limited	**100**	100	1,220
**Human Capital Partners Ltd	**100**	100	25
**Kisatchi Co Ltd	**100**	-	10
* Marcom Co. Ltd	**80**	80	20
**Maryvale Ltd	**100**	100	10
* Medhealth Care Investment Ltd	**100**	100	10
* Media Metrix Ltd	**100**	100	40,490
* Partners in Progress Foundation Ltd	**100**	-	10
* Saxton Ltd	**100**	-	10
* Shilka Ltd	**100**	-	10
* Silver City Holdings Ltd	**100**	100	10
* Silver Spring Co Ltd	**100**	100	10
**Synergis Risk Services Ltd	**80**	60	10
**Tamarine Ltd	**100**	-	10
**Technology Management Services Ltd	**100**	100	1,000
**Tucson Ltd	**100**	100	10
* Trenton Ltd	**100**	100	10
* Wisconsin Investment Holdings Ltd	**100**	100	10
**Wiseman Holdings Ltd	**100**	100	4,000
* Xanboo International Company Ltd	**100**	-	10

(b) The class of shares held in the above subsidiaries are 'Ordinary'.

13. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

(c) The above subsidiaries are incorporated and operate in the Republic of Mauritius except for:

(i)

	Country of incorporation and operation
British-American (UK) Limited	United Kingdom
British American (Kenya) Holdings Limited	Bahamas
Chambrillon Investments Limited	British Virgin Island
Courts (Madagascar) SARL	Malagasy Republic
Furniture World SAS	France
GFSG (UK) Limited	United Kingdom
Iframac (Madagascar) SARL	Malagasy Republic
Ireko Design and Construction (Madagascar) SARL	Malagasy Republic
Quadrant Italia Srl	Italy

(ii) The following companies are incorporated and operate in the Republic of Malta:
Brammer Limited
GlobalCapital p.l.c
Global Estates Limited
Global Properties Limited
GlobalCapital Financial Management Limited
GlobalCapital Fund Advisors Limited
GlobalCapital Health Insurance Agency Limited
GlobalCapital Holdings Limited
GlobalCapital Insurance Brokers Limited
GlobalCapital Investments Limited
GlobalCapital Life Insurance Limited
GlobalCapital Property Advisors Limited
GlobalCapital Property Management Limited
Globe Properties Limited

(d) * Direct holdings
** Indirect holdings

(e) The year ended of the above subsidiaries is 31 December.

14. OTHER INVESTMENTS

	Note	GROUP		COMPANY	
		2008	2007	**2008**	2007
		MUR'000s	MUR'000s (Restated)	**MUR'000s**	MUR'000s
At 1 January					
- as previously stated		**2,160,054**	1,889,440	**30,100**	-
- prior year adjustments (Note (a) below)		**612,759**	299,450	**-**	-
- as restated		**2,772,813**	2,188,890	**30,100**	-
Consolidation adjustment		**-**	(32,271)	**-**	-
Transfer to investment in subsidiary companies		**(1,484,480)**	-	**-**	-
Acquisition through business combinations	32(a)	**2,850,143**	4,987	**-**	-
Effect of movements in exchange rates		**184**	(99)	**-**	-
Additions		**911,007**	174,091	**-**	30,100
Disposals		**(1,238,845)**	(5,706)	**-**	-
Change in fair value	24(i)	**1,405,134**	440,611	**(4,263)**	-
Revaluation reserve		**2,941**	2,310	**-**	-
Transfer to investment properties	9	**(4,486)**	-	**-**	-
At 31 December		**5,214,411**	2,772,813	**25,837**	30,100

Note (a): The prior year adjustments arose on the deconsolidation of one subsidiary and "one equity accounted investee" now accounted for as equity securities at fair value through profit or loss.

14. OTHER INVESTMENTS (CONTINUED)

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	MUR'000s	MUR'000s	**MUR'000s**	MUR'000s
Analysed as follows:				
Financial assets at fair value through profit or loss	**4,723,242**	2,724,720	**25,837**	30,100
Held to maturity investments	**491,169**	48,093	-	-
	5,214,411	2,772,813	**25,837**	30,100
Sale of investments	**1,164,539**	21.053	-	-

(a) Sensitivity analysis

Most of the Group's equity investments are listed on the investments. For such investments classified as fair value through profit or loss, the impact on profit assuming a five per cent change in the stock prices, would have been an increase or decrease of **MUR'000s 26,617** (2007: MUR'000s 106,331). The analysis was performed on the same basis for 2007.

(b) Available-for-sale securities

Available-for-sale securities are measured at subsequent reporting dates at fair value. Realised and unrealised gains and losses on such securities are included in equity in the period in which they arise. On disposal, the profit or loss recognised in the profit or loss is the difference between the proceeds and the carrying amount of the asset.

(c) The group holds more than 20% in the following companies:

Media Alliance Ltd	40.00%

The aim of the Group is to spread investment risks and give members of the Group the benefits of the results of the management of its funds.

Accordingly, the investments in the above companies were made with the objective of maximising dividend return and market value appreciation of the investments.

These investments have therefore been accounted under IAS 39. From the Group's perspective, the assets comprise the value of the undertaking and not the economic activity of Media Alliance Ltd.

15. DEFERRED TAXATION

Deferred income tax assets and liabilities are offset when the income taxes relate to the same entity and the same fiscal authority.
The following amounts are shown in the Balance Sheet:

Group	**2008**	2007
	MUR'000s	MUR'000s
		(Restated)
Deferred tax assets	**72,223**	117,875
Deferred tax liabilities	**187,553**	102,088

Deferred income tax assets are recognised only to the extent that realisation of the related tax benefit is probable. The Group has tax losses of **MUR'000s 1,433,806** (2007: MUR'000s 1,150,846) to carry forward against future taxable income, which have not been fully recognised in these accounts due to uncertainty of their recoverability.

Deferred taxation is calculated on all temporary differences under the liability method at 15%.

15. DEFERRED TAXATION (CONTINUED)

GROUP

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

	Note	2008	2007
		MUR'000s	MUR'000s
			(Restated)
At 1 January		21,141	(47,497)
Adjustment arising on deconsolidation of subsidiary		(5,354)	(3,492)
		15,787	(50,989)
Adjustment arising on consolidation of subsidiary	32(a)	(81,082)	1,735
Credit/(Charge) to the Income Statement	28	(43,708)	54,989
Tax effect of revaluations		(6,327)	10,052
At 31 December		(115,330)	15,787

16. INVENTORIES

GROUP

	2008	2007
	MUR'000s	MUR'000s
Construction work in progress (note (a) below)	36,592	22,958
Raw materials (at cost)	92,793	25,463
Goods in transit	27,943	24,353
Finished goods (at cost)	548,565	839,761
Finished goods (at net realisable value)	574,167	8,715
	1,280,060	921,250

The bank borrowings are secured by floating charges on the above assets.

(a) Construction contract work in progress:
GROUP

	2008	2007
	MUR'000s	MUR'000s
At 1 January	22,958	16,688
Contract costs incurred during the year	56,116	41,509
Contract expenses recognised during the year	(42,482)	(35,239)
At 31 December	36,592	22,958

The following information relates to contracts in progress at the Balance Sheet date :	2008	2007
	MUR'000s	MUR'000s
(i) Contracted costs incurred and recognised profits (less losses) to date	6,462	4,469
(ii) Advances received	12,938	6,421
(iii) Retentions	49,793	29,333

17. DEPOSITS WITH FINANCIAL INSTITUTIONS

GROUP
The deposits earn interest at rates varying from 4.25% to 12.85% .

18. SHARE CAPITAL AND RESERVES

	Number	2008 & 2007
	(in thousand)	MUR'000s
At 1 January and 31 December	95,074	95,074

Authorised share capital
100,000,000 ordinary shares with a par value of MUR 1 per share (2007: MUR 1 per share).

18. SHARE CAPITAL AND RESERVES (CONTINUED)

Issued and fully paid
95,073,697 ordinary shares with a par value of MUR 1 per share (2007: MUR 1 per share).

Statutory reserve
This represents the statutory reserve account to be maintained by the Bank in accordance with the Banking Act 2004.

General banking reserve
The general banking reserve represents a general provision calculated at 1% on performing advances, net of facilities secured by credit balance and net of provision made on a portfolio basis.

19. INSURANCE & INVESTMENT CONTRACTS

GROUP

	2008	2007
	MUR'000s	MUR'000s
Insurance contract	9,461,163	5,287,692
Investment contract	1,216,979	-
	10,678,142	5,287,692

These can be analysed as follows:

(a)

	2008			2007		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Current	1,337,489	(6,101)	1,331,388	763,768	(841)	762,927
Non-current	9,385,807	(39,053)	9,346,754	4,524,765	-	4,524,765
	10,723,296	(45,154)	10,678,142	5,288,533	(841)	5,287,692

(b)

	2008			2007		
	Gross	Non-participating Reinsurance	Net	Gross	Non-participating Reinsurance	Net
	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Non-linked						
At 1 January	5,288,533	(841)	5,287,692	4,542,045	(1,687)	4,540,358
Adjustments arising on consolidation of subsidiaries (note 32 (a))	2,033,227	-	2,033,227	-	-	-
Benefits paid	(1,589,887)	3,378	(1,586,509)	(1,707,620)	5,052	(1,702,568)
Premiums received	4,104,765	(58,978)	4,045,787	2,375,919	(14,797)	2,361,122
Unwinding of discount	-	-	-	453,523	(1,845)	451,678
Difference between actual and expected experience	- 587,603	- (1,950)	- 585,653	(187,922)	12,436	(175,486)
Effect of changes in other assumptions	- (90,372)	- 13,237	- (77,135)	(187,412)	-	(187,412)
Adjustment for overstated reinsurance asset	139,202	-	139,202	-	-	-
Change in the provision for claims	(6,493)	-	(6,493)	-	-	-
Change in other technical provisions	256,718	-	256,718	-	-	-
At 31 December	10,723,296	(45,154)	10,678,142	5,288,533	(841)	5,287,692

19. INSURANCE & INVESTMENT CONTRACTS (CONTINUED)

(i) **Assumptions for long-term business**

For long term insurance contracts, the Group considers, on a regular basis, whether the estimates of the actuarial liabilities are adequate. The principal assumptions that are considered are investment returns, expenses and mortality. Assumptions incorporate an allowance for uncertainty.

The bulk of the liabilities of the business is single premium savings business with a small life cover component.

The reserves were valued on a policy by policy basis based on the discounted value of the guaranteed benefits using realistic current interest rate assumptions plus margins to allow for uncertainty. The actuarial liabilities for the balance of the insurance business are determined on a policy by policy basis using a full preliminary term method. Negative reserves are eliminated on a policy by policy basis. Realistic assumptions are made as to (i) future investment yields and (ii) mortality and morbidity. Margins are incorporated in the assumptions to allow for uncertainties and to contribute towards expected renewal expenses.

(ii) Rate of interest

	2008	2007
Term assurance without profit	11.29%	10.14%
Endowment Assurance without profit	11.84%	10.79%
Annuities	11.29%	10.14%
Without profit-deferred	N/A	N/A
Without profit-vested	N/A	N/A

It is also important to maximise the after tax returns and our strategy seeks to balance these dual objectives. The first objective in these strategies is to limit the net change in value of assets and liabilities arising from interest rate movements. While it is more difficult to measure the interest sensitivity of our assets than those of the related assets, to the extent that we can measure such sensitivities we believe that interest rate movements will generate asset value changes that substantially offset changes in value of the liabilities relating to the underlying products. Any mismatch between policy liabilities and assets are covered by shareholders's funds.

(iii) Mortality

	2008	2007
Assurance without profits	SA85/90	SA85/90
Immediate annuities	a(55)	a(55)

(iv) Sensitivities

An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Group's estimation process in respect of its Life assurance contracts. The table presented below demonstrates the sensitivity of insured liability estimates to particular movements in assumptions used in the estimation process.

Certain variables can be expected to impact on Life assurance liabilities more than others, and consequently a greater degree of sensitivity to these variables may be expected.

Impact on reported profits to changes in key variables:

	Change in variable	Change in liability	
		2008	2007
	%	MUR'000s	MUR'000s
Base run	-	-	-
Investment return	(15)	308,031	202,459
Mortality	10	21,064	20,181
Policy maintenance expenses	10	61,420	57,001
Expense inflation	20	48,356	43,922

The analysis above have been prepared for a change in variable while all other assumptions remain constant and ignore changes in value of the related amounts.

20. LOANS AND BORROWINGS

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Current				
Bank loans (note (b) below)	857,144	764,995	624,457	199,457
Other loans (note (c) below)	6,543	1,833	-	-
Obligations under finance leases (note (d) below)	32,507	19,787	-	-
	896,194	786,615	624,457	199,457
Non-current				
Bank loans (note (b) below)	631,241	505,380	241,951	331,406
Other loans (note (c) below)	79,618	18,905	-	-
Obligations under finance leases (note (d) below)	51,367	52,689	-	-
5.6% bonds 2014/2016 (note (e) below)	770,043	-	-	-
	1,532,269	576,974	241,951	331,406
Total loans and borrowings	2,428,463	1,363,589	866,408	530,863

(a) The bank borrowings are secured by floating charges on the assets of the Group and the Company. The rates of interest on these loans vary between 9% and 14%. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(b) Bank loans can be analysed as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
- repayable within one year	857,144	764,995	624,457	199,457
- after one year and before two years	462,659	202,764	84,809	89,457
- after two years and before five years	168,582	302,616	157,142	241,949
	1,488,385	1,270,375	866,408	530,863

(c) Other loans can be analysed as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
- repayable within one year	6,543	1,833	-	-
- after two years and before five years	79,618	18,905	-	-
	86,161	20,738	-	-

(d) Obligations under finance leases:

	GROUP		COMPANY	
Minimum lease payments:-	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
- repayable within one year	41,034	27,410	-	-
- after one year and before two years	38,698	24,019	-	-
- after two years and before five years	28,563	45,327	-	-
	108,295	96,756	-	-
Future finance charges on finance leases	(24,421)	(24,280)	-	-
Present value of finance lease liabilities	83,874	72,476	-	-

	GROUP		COMPANY	
The present value of finance lease liabilities may be analysed as follows:-	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
- repayable within one year	32,507	19,787	-	-
- after one year and before two years	29,985	15,697	-	-
- after two years and before five years	21,382	36,992	-	-
	83,874	72,476	-	-

20. LOANS AND BORROWINGS (CONTINUED)

(e) By virtue of the offering memorandum dated 10 May 2006, the Group issued for subscription to the general public € 17,000,000 bonds. The bonds were effectively issued on 26 May 2006 at the bond offer price of € 100 per bond. The bonds are subject to a fixed interest rate of 5.6% per annum payable yearly on 2 June. All bonds are redeemable at par and at the latest are due on 2 June 2016.

The bonds were admitted to the official list of the Malta Stock Exchange. The quoted market price of the bonds at 31 December 2008 was **€ 74.50** (2007: € 90.00), which in the opinion of the Directors fairly represented the fair value of these financial liabilities.

(f) Term and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

GROUP

			2008		2007	
	Nominal interest rate %	Year of maturity	Face value MUR'000s	Carrying amount MUR'000s	Face value MUR'000s	Carrying amount MUR'000s
Secured bank loan	13.00	2012	675,000	140,626	675,000	178,125
Secured bank loan	12.25	2012	458,300	183,030	458,300	228,787
Secured bank loan	13.50	2008	-	-	60,000	60,000
Secured bank loan	10.50	2009	50,000	50,000	50,000	50,000
Secured bank loan	13.50	2010	31,000	7,752	31,000	13,951
Secured bank loan	12.00	2009	140,000	140,000	-	-
Secured bank loan	11.25	2009	300,000	300,000	-	-
Secured bank loan	13.50	2009	45,000	45,000	-	-
Secured bank loan	PLR + 1.5	2013	350,000	284,809	350,000	330,828
Business and revolving loan	13.00	N/A	N/A	-	N/A	164,791
Secured bank loan	12.50	2008	-	-	100,000	100,000
Secured bank loan	8.75	2013	90,000	78,346	90,000	81,250
Secured bank loan	12.75	2009	-	-	20,000	14,725
Secured bank loan	10.74	2013	15,000	8,913	15,000	10,128
Secured bank loan	12.75	2008	-	-	9,190	9,190
Secured bank loan	13.75	2012	28,600	22,880	28,600	28,600
Secured bank loan	12.40	2019	75,000	75,000	-	-
Secured bank loan	12.38	2009	35,235	35,235	-	-
Secured bank loan	14.50	2011	15,000	10,700	-	-
Secured bank loan	BBR+1.7	2009	117,614	106,094	-	-
Bonds	5.60	2016	754,800	770,043	-	-

COMPANY

			2008		2007	
	Nominal interest rate %	Year of maturity	Face value MUR'000s	Carrying amount MUR'000s	Face value MUR'000s	Carrying amount MUR'000s
Secured bank loan	13.00	2012	675,000	140,626	675,000	178,125
Secured bank loan	12.25	2012	458,300	183,030	458,300	228,787
Secured bank loan	10.50	2009	50,000	50,000	50,000	50,000
Secured bank loan	13.50	2010	31,000	7,752	31,000	13,951
Secured bank loan	12.00	2009	140,000	140,000	-	-
Secured bank loan	11.25	2009	300,000	300,000	-	-
Secured bank loan	13.50	2009	45,000	45,000	-	-
Secured bank loan	13.50	N/A	-	-	60,000	60,000

(g) Loans are denominated in Mauritian Rupees (MUR) and Euro (EUR).

21. EMPLOYEE BENEFITS

GROUP

	2008	2007
	MUR'000s	MUR'000s
Amounts recognised in the Balance Sheet at end of year:		
Pension schemes (note (a) below)	88,971	93,676
Other post-retirement benefits (note 21(b))	34,033	21,744
	123,004	115,420

(a) Pension schemes

GROUP

(i) Amounts recognised in the Balance Sheet at end of year:

	2008	2007
	MUR'000s	MUR'000s
Present value of funded obligations	251,002	191,453
Fair value of plan assets	(105,042)	(81,157)
Liability for defined benefit obligations	145,960	110,296
Present value of unfunded obligations	658	1,409
Unrecognised past service cost	140	-
Unrecognised actuarial loss	(57,787)	(18,029)
Liability recognised in Balance Sheet at end of year	88,971	93,676

(ii) Amounts recognised in Income Statement:

GROUP

	2008	2007
	MUR'000s	MUR'000s
Current service cost	15,314	18,361
Interest cost	19,518	15,085
Expected return on plan assets	(8,770)	(6,095)
Actuarial loss recognised	741	643
Past service cost recognised	(26,722)	(2,261)
Curtailment or settlement gain	(453)	(616)
Total included in staff costs	(372)	25,117

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

GROUP

	2008	2007
	MUR'000s	MUR'000s
At 1 January	93,676	82,777
Acquisition through business combination (note 32(a))	2,997	589
Total expense as above	(372)	25,117
Contributions and direct benefits paid	(7,330)	(14,807)
At 31 December	88,971	93,676

21. EMPLOYEE BENEFITS (CONTINUED)

(b) Other post-retirement benefits

Other post-retirement benefits are composed of mainly severance allowances payable under Labour Act and other benefits.

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

GROUP

	2008	2007
	MUR'000s	MUR'000s
Present value of funded obligations	40,522	25,496
Unrecognised actuarial loss	(6,489)	(3,752)
Liability recognised in Balance Sheet at end of year	34,033	21,744

(ii) The amounts recognised in the Income Statement are as follows:

GROUP

	2008	2007
	MUR'000s	MUR'000s
Current service cost	12,964	4,127
Interest cost	1,186	367
Past service cost recognised	61	(310)
Actuarial loss recognised	(540)	272
Total included in staff costs	13,671	4,456

(iii) Movement in the severance allowances:

GROUP

	2008	2007
	MUR'000s	MUR'000s
At 1 January	21,744	17,971
Acquisition through business combinations	290	-
Total expense as above	13,671	4,456
Contributions paid	(1,672)	(683)
At 31 December	34,033	21,744

(c) The principal actuarial assumption (expressed as weighted averages) at the Balance Sheet date were:

GROUP

	2008	2007
Discount rate*	9.50%	9.50%
Expected return on plan assets**	9.50%	9.50%
Future salary increases***	7.50%	7.50%
Future pension increases	0.00%	0.00%

Note:

* 10% for Iframac Limited

** 10.5% for Iframac Limited

*** 8% for The Mauritius Leasing Company Limited and Iframac Limited

(d) The plan liabilities (excluding those in respect of the Iframac Limited plan) and costs are established by Hewitt LY Ltd using the projected unit method. The corresponding figures for the Iframac Limited plan is calculated by Anglo Mauritius Assurance Society Ltd.

22. CUSTOMERS' DEPOSITS

GROUP

	2008	2007
Current	MUR'000s	MUR'000s
- repayable within one year	3,837,680	1,360,407
Non-current		
- after one year and before five years	1,589,125	848,929
- after five years	88,001	150,346
	1,677,126	999,275
	5,514,806	2,359,682

23. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s (Restated)	MUR'000s	MUR'000s
Trade payables	1,294,102	1,509,125	-	-
Amounts due to subsidiary companies	1,054	-	2,163,190	958,928
Insurance claims outstanding	9,446	15,690	-	-
Advances received from customers on construction contracts	42,577	-	-	-
Other policy liabilities	12,605	943	-	-
Payable under deposit administrator contracts	40,909	-	-	-
Trading liabilities	1,693	-	-	-
Other payables & accrued expenses	1,020,193	590,477	54,351	476,372
	2,422,579	2,116,235	2,217,541	1,435,300

The Group's and the Company's exposure to currency and liquidity risks relating to trade and other payables are disclosed in note 33.

24. REVENUE

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s (Restated)	MUR'000s	MUR'000s
Investment and other income (note 24 (a))	8,023,418	5,204,206	697,801	277,222
Gross insurance premiums	4,408,802	2,374,855	-	-
Gross lease rental income	974,867	973,322	-	-
Gross commission income	-	1,088	-	-
Gross revenue	13,407,087	8,553,471	697,801	277,222
Less: Premium ceded to reinsurers	(14,650)	(15,720)	-	-
Capital element of finance lease rental income	(970,675)	(692,515)	-	-
Non-insurance commission expense	-	(53,468)	-	-
Net revenue	12,421,762	7,791,768	697,801	277,222

24. REVENUE (CONTINUED)

(a) Investment and other income

	Note	GROUP 2008 MUR'000s	GROUP 2007 MUR'000s (Restated)	COMPANY 2008 MUR'000s	COMPANY 2007 MUR'000s
Interest income:					
- Mortgage loans		40,629	42,181	-	-
- Policyowner and other loans		236,360	111,667	-	-
- Government bonds and treasury bills		33,601	-	-	-
- Deposits with financial institutions		54,658	48,217	-	-
- Other interest income		(51,162)	30,679	29,954	19,826
		314,086	232,744	29,954	19,826
Negative goodwill	32(a)	13,164	993	-	-
Dividend income		29,096	53,151	20,368	234,631
Rental income		22,965	22,894	-	-
Currency translation gains/(losses)		98,542	(58,480)	50,293	(35,047)
Fair value gains and impairments (note (i) below)		1,512,619	564,137	578,060	-
Other income (include sales of goods and services)		6,032,946	4,388,767	19,126	57,812
		8,023,418	5,204,206	697,801	277,222

(i) Fair value gains and impairments

	Note	GROUP 2008 MUR'000s	GROUP 2007 MUR'000s (Restated)	COMPANY 2008 MUR'000s	COMPANY 2007 MUR'000s
Fair value gains:					
Investment properties	9	107,485	123,526	-	-
Investments in subsidiary company	13	-	-	846,422	-
Other investments	14	1,405,134	440,611	(4,263)	-
		1,512,619	564,137	842,159	-
Impairments on current accounts		-	-	(264,099)	-
		1,512,619	564,137	578,060	-

25. EXPENSES

	GROUP 2008 MUR'000s	GROUP 2007 MUR'000s (Restated)	COMPANY 2008 MUR'000s	COMPANY 2007 MUR'000s
Operating expenses (include cost of sales and services)	6,467,663	4,659,227	149,126	22,536
Net policyowner claims and benefits incurred	1,762,114	1,718,259	-	-
Increase in reserves for insurance funds	3,374,015	747,253	-	-
Insurance commission expense	84,805	265,058	-	-
	11,688,597	7,389,797	149,126	22,536

26. FINANCE EXPENSES

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s (Restated)	MUR'000s	MUR'000s
Interest expense:				
- Bank overdrafts	247,372	137,624	90,276	45,746
- Bank and other loans repayable by instalments	161,042	125,084	71,671	84,919
- Bond	78,636	-	-	-
- Others	14,692	28,119	181,930	75,704
- Finance leases	12,658	8,833	-	58
	514,400	299,660	343,877	206,427

27. PROFIT BEFORE TAXATION

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s (Restated)	MUR'000s	MUR'000s
Profit before taxation is arrived at after :				
Crediting :				
Investment properties:				
- rental income (note 9)	2,953	4,099	-	-
- fair value gains (note 9)	107,485	123,526	-	-
- gain on sale (note 31 (a))	38,900	347	-	-
Other investments:			-	-
- fair value gains/(losses) (note 14)	1,405,134	440,611	(4,263)	-
- (loss)/gain on sale (note 31 (a))	(74,306)	-	-	-
Loss on sale of property, plant and equipment (note 31 (a))	(12,608)	(725)	-	425
Fair value gain on investment in subsidiary company	-	-	846,422	-
Operating lease rentals-plant and machinery	2,829	-	-	-
and charging :				
Depreciation on property, plant and equipment				
- owned assets	174,853	100,453	6,671	331
- owned assets leased out under operating leases	55,159	42,898	-	-
- leased assets under finance leases	7,179	16,595	-	129
Amortisation of intangible assets (note 7)	86,714	10,948	2,418	2,418
Operating lease rental from property, plant and equipment	2,829	40,752	-	-
Employee benefit expenses (note (a) below)	634,577	582,799	-	-

(a) Employee benefit expenses

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Wages and salaries	558,159	548,253	-	-
Pension and other costs	76,418	34,546	-	-
	634,577	582,799	-	-

28. TAXATION

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s (Restated)	MUR'000s	MUR'000s
Current tax on the adjusted profit for the year at 15%	(49,396)	(35,380)	-	9,557
Under/(over) provision in prior years	18,055	(1,548)	4,667	647
Withholding tax (note 31(a))	(314)	(15,774)	-	-
Exchange differences	-	(190)	-	-
Deferred income tax (note 15)	(43,708)	54,988	-	-
	(75,363)	2,096	4,667	10,204

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

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s (Restated)	MUR'000s	MUR'000s
Profit before taxation	207,675	102,311	204,798	48,259
Tax calculated at a rate of 15%	31,151	15,346	30,720	7,298
Net income falling outside the scope of tax legislation	(42,484)	22,316	-	-
Income not subject to tax	(96,769)	(318,774)	(97,948)	(37,015)
Expenses not deductible for tax purposes	6,481	309,338	21,019	39,274
Tax losses	8,043	(57,065)	-	-
Increase in pension liability	(3,305)	(2,363)	-	-
Adjustment to pension business	4,983	3,534	-	-
Capital allowances	(349)	(8,886)	-	-
Other deductions	(8,017)	(3,070)	-	-
Tax credit	(1,423)	(343)	-	-
Depreciation on non qualifying assets	-	193	-	-
Withholding tax	158	15,774	-	-
Deferred tax asset not recognised	68,439	23,962	46,209	-
Deferred income tax liability	(85)	2,677	-	-
Balancing charge	1,017	895	-	-
Under/(over) provision in prior years	18,055	(1,548)	4,667	647
Tax rate differential	(59,295)	-	-	-
Others	(1,963)	110	-	-
	(75,363)	2,096	4,667	10,204

29. EARNINGS PER SHARE

	GROUP		COMPANY	
	2008	2007 (Restated)	2008	2007
Profit attributable to shareholders (MUR'000s)	276,917	102,217	209,465	38,055
Number of ordinary shares in issue (thousands)	95,074	95,074	95,074	95,074
Basic earnings per share (MUR)	2.91	1.08	2.20	0.40

30. DIVIDENDS

COMPANY

	2008	2007
	MUR'000s	MUR'000s
Final 2008 paid of MUR 0.35 (2007: MUR 0.35) per share	33,275	33,275
Interim 2008 paid of MUR 0.14 (2007: MUR 0.14) per share	13,311	13,311
	46,586	46,586

At a Board of Directors meeting held on March 28, 2009, a final dividend in respect of financial year 2008 of MUR 0.35 per share amounting to a total dividend of MUR 000's 33,275 was proposed. These Financial Statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ended December 31 2009.

31. NOTES TO THE CASH FLOW

	Note	GROUP		COMPANY	
		2008	2007	2008	2007
(a) Cash from operating activities		MUR'000s	MUR'000s (Restated)	MUR'000s	MUR'000s
Profit before taxation		207,675	102,311	204,798	48,259
Adjustments for:					
Negative goodwill	24	(13,164)	(993)	-	-
Depreciation on property, plant and equipment equipment	6	237,191	159,446	550	460
Share of profit of equity accounted investees	10	11,090	-	-	-
Amortisation of intangible assets	7	86,714	10,948	2,418	2,418
Impairment loss on property, plant and equipment	6	2,305	-	-	-
Impairment losses on intangible assets	7	31,402	-	-	-
Loss/(gain) on sale of property, plant and equipment	27	12,608	725	-	425
Change in fair value of other investments	14	(1,405,134)	(440,611)	4,263	-
Change in fair value of investment properties	9	(107,485)	(123,526)	-	-
Change in fair value of investment in subsidiary company	13	-	-	(846,422)	-
Gain on sale of investment property	27	(38,900)	(347)	-	-
Loss/(gain) on sale of other investments	27	74,306	-	-	-
Interest income	24	(314,086)	(232,744)	(29,954)	(19,826)
Dividend income		(29,096)	(49,517)	(20,368)	(234,631)
Finance expenses	26	514,400	299,660	343,877	206,427
Employee benefits		7,584	14,083	-	-
Effect of movements in exchange rates		43,869	(8,073)	-	-
Withholding tax	28	(314)	(15,774)	-	-
Consolidation adjustments		-	32,277	-	-
		(679,035)	(252,135)	(340,838)	3,532

31. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Changes in working capital :				
- trade and other receivables	(473,024)	(821,174)	54,634	(591,482)
- inventories	(346,394)	(244,454)	-	-
- deposits with financial institutions	208,633	165,370	-	-
- mortgage and policyowner loans	(188,100)	51,337	-	-
- net investment in finance leases	43,543	103,710	-	-
- non current receivable	61,684	147,224	-	-
- insurance and investment contracts	3,357,223	747,334	-	-
- customers' deposits	(847,368)	567,230	-	-
- trade and other payables	8,453	828,172	765,509	625,032
Net cash generated from operating activities	1,824,650	1,544,749	820,143	33,550
Cash generated from operations	1,145,615	1,292,614	479,305	37,082

(b) Non cash transactions

The principal non-cash transactions are the acquisition of property, plant and equipment using finance leases (note 6).

(c) Cash and cash equivalents

	GROUP		COMPANY	
	2008	2007	2008	2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Bank and cash balances	3,360,159	1,496,411	781,263	618,590
Bank overdrafts	(1,725,545)	(1,769,138)	(637,748)	(880,881)
	1,634,614	(272,727)	143,515	(262,291)

At 31 December 2008, cash and cash equivalents include an amount of **MUR 000's 124,456** (2007: MUR Nil) as minimum cash reserve per Banking Act 2004 for its banking activities. These funds are not available for the Group's daily business.

32. BUSINESS COMBINATIONS

(a) Acquisition of new companies

The details of net assets acquired and goodwill are as follows:

	GROUP	
	2008	2007
Purchase consideration:	MUR'000s	MUR'000s
- Cash paid	695,179	30,226
Transfer from other investments (note14)	1,484,480	-
Fair value of net assets acquired	(917,906)	(27,286)
	1,261,753	2,940
Made up as follows:		
Goodwill on consolidation	1,274,917	3,933
Negative goodwill	(13,164)	(993)
	1,261,753	2,940

The goodwill/negative goodwill on consolidation is attributable to the high/low value of the net assets acquired compared to the fair value of the acquired shares.

32. BUSINESS COMBINATIONS (CONTINUED)

(a) Acquisition of new companies (continued)

The acquisitions had the following effect on the Group's assets and liabilities on acquisition date:

		GROUP	
		2008	2007
	Note	MUR'000s	MUR'000s
Cash and cash equivalents		2,194,374	777
Property, plant and equipment	6	355,056	13,163
Investment properties	9	1,143,297	-
Intangible assets	7	353,762	-
Investment in equity accounted investees	10	167,802	-
Other investments	14	2,850,143	4,987
Loans		1,643,321	-
Deferred tax (liabilities)/assets	15	(81,082)	1,735
Inventories		12,415	-
Trade and other receivables		255,308	15,772
Deposits with financial institutions		114,005	-
Insurance and investment contracts	19	(2,033,227)	-
Trade and other payables		(556,202)	(6,067)
Bank overdraft		(35,601)	(2,492)
Loans and borrowings		(862,945)	-
Employee benefits	21(iii)	2,997	(589)
Taxation		(11,124)	-
Customers' deposits		(4,002,492)	-
Net identifiable assets and liabilities		1,509,807	27,286
Goodwill on acquisition		1,228,599	3,933
Negative goodwill on acquisition	24	(13,164)	(993)
Minority interest		(617,159)	-
Transfer from other investments	14	(1,484,480)	-
Total purchase consideration		623,603	30,226
Cash and cash equivalents in subsidiaries acquired		(2,158,773)	1,715
Net cash (inflow)/outflow		(1,535,170)	31,941

Pre-acquisition carrying amounts were determined based on applicable IFRSs immediately before the acquisition. The values of assets, liabilities, and contingent liabilities recognised on acquisition are their estimated fair values (see note 4 for methods used in determining fair values).

(b) Acquisition of minority interest

During the year, the Group and the Company acquired an additional interest in the following companies:

(i) 5.4 per cent interest in The Mauritius Leasing Company Limited for MUR'000s 58,474 increasing its ownership from 61.09 to 66.49 per cent.

(ii) 20 per cent interest in Yee Chuin Koon & Co. Ltd for MUR'000s 13,102 increasing its ownership from 60 to 80 per cent.
The carrying amount of the net assets of the above companies in the consolidated financial statements on the date of the acquisitions was MUR'000s 419,769.

The Group recognised a decrease in minority interest of MUR'000s 25,258 and a goodwill of MUR'000s 46,318 (note 8) and a negative goodwill of MUR'000s 13,164 respectively.

33. FINANCIAL INSTRUMENTS

(i) Credit risk

Exposure to risk

(a) The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		GROUP		COMPANY	
	Note	2008	2007	2008	2007
		MUR'000s	MUR'000s (Restated)	MUR'000s	MUR'000s
Financial assets at fair value through profit or loss	14	4,723,242	2,724,720	25,837	30,100
Held-to-maturity investments	14	491,169	48,093	-	-
Loans	12	2,155,364	323,943	-	-
Net investment in finance leases	11	1,787,345	1,830,888	-	-
Trade and other receivables	8	3,769,689	3,358,349	729,787	781,788
Deposits with financial institutions		-	94,630	-	-
Cash and cash equivalents	31(c)	1,634,614	(272,727)	143,515	(262,291)
		14,561,423	8,107,896	899,139	549,597

(b) The carrying amount of the maximum exposure to credit risk for trade receivables at the reporting date by geographical region was:

GROUP

	2008	2007
	MUR'000s	MUR'000s (Restated)
Domestic	1,437,978	1,803,555
Euro-zone countries	193,787	16,292
Madagascar	131,045	139,547
Other regions	18,491	13,229
	1,781,301	1,972,623

(c) The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

GROUP

	2008	2007
	MUR'000s	MUR'000s (Restated)
Wholesale customers	321,847	29,704
Retail customers	1,459,454	1,942,919
	1,781,301	1,972,623

Impairment losses

(a) The ageing of trade receivables at the reporting date was:

GROUP

	Gross 2008	Impairment 2008	Gross 2007	Impairment 2007
	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Not past due	1,086,361	-	1,160,319	-
Past due 0-30 days	394,981	(4,106)	132,443	(1,673)
Past due 31-120 days	151,454	(2,842)	131,642	(5,887)
Past due 121-365 days	134,031	(38,246)	93,569	(32,177)
More than one year	152,204	(92,536)	568,964	(74,577)
	1,919,031	(137,730)	2,086,937	(114,314)

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

GROUP

	2008	2007
	MUR'000s	MUR'000s
At 1 January	114,314	108,146
Impairment loss recognised	23,416	6,168
At 31 December(note (a) above)	137,730	114,314

(ii) Liquidity risk

(a) The following are the contractual maturities of financial liabilities:

GROUP

	Note	Carrying amount	Within 1 year	1-2 years	2-5 years	More than 5 years
		MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
At 31 December 2008						
Secured bank loans	20(b)	1,488,385	857,144	462,659	168,582	-
Bonds	20	770,043	-	-	-	770,043
Finance lease liabilities	20(d)	83,874	32,507	29,985	21,382	-
Trade and other payables	23	2,422,579	2,422,579	-	-	-
Bank overdrafts	31(c)	1,725,545	1,725,545	-	-	-
Insurance and investment contracts	19	10,678,142	1,331,388	2,610,201	3,773,095	2,963,458
Customers' deposits	22	5,514,804	3,837,680	717,421	872,877	86,826
		22,683,372	10,206,843	3,820,266	4,835,936	3,820,327

	Note	Carrying amount	Within 1 year	1-2 years	2-5 years	More than 5 years
		MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
At 31 December 2007						
Secured bank loans	20(b)	1,270,375	764,995	202,764	302,616	-
Finance lease liabilities	20(d)	72,476	19,786	15,697	36,993	-
Trade and other payables	23	2,116,235	2,116,233	-	-	-
Bank overdrafts	31(c)	1,769,138	1,769,094	-	-	-
Insurance and investment contracts	19	5,287,692	763,014	611,041	1,690,826	2,222,811
Customers' deposits	22	2,359,682	1,360,406	278,864	570,066	150,346
		12,875,598	6,793,528	1,108,366	2,600,501	2,373,157

COMPANY

	Note	Carrying amount	Within 1 year	1-2 years	2-5 years	More than 5 years
		MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
At 31 December 2008						
Secured bank loans	20(b)	866,408	624,457	84,809	157,142	-
Other payables	23	2,217,541	2,217,541	-	-	-
Bank overdrafts	31(c)	637,748	637,748	-	-	-
		3,721,697	3,479,746	84,809	157,142	-

33. FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Liquidity risk (continued)

COMPANY

	Note	Carrying amount	Within 1 year	1-2 years	2-5 years	More than 5 years
		MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
At 31 December 2007						
Secured bank loans	20(b)	530,863	199,457	89,457	241,949	-
Other payables	23	1,435,300	1,435,300	-	-	-
Bank overdrafts	31(c)	880,881	880,881	-	-	-
		2,847,044	2,515,638	89,457	241,949	-

(b) The table below shows the analysis of assets and liabilities of the subsidiary carrying out leasing and deposit-taking activities and the Group's banking activities into the relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

GROUP

	Within 1 year	1-5 years	More than 5 years	No specific maturity	Total
At 31 December 2008	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Assets	**3,776,322**	**1,731,664**	**183,951**	**805,726**	**6,497,663**
Liabilities	**3,568,175**	**2,366,028**	**459,886**	**188,875**	**6,582,964**
Liquidity gap	**208,147**	**(634,364)**	**(275,935)**	**616,851**	**(85,301)**
At 31 December 2007					
Assets	1,345,567	1,133,224	89,027	441,929	3,009,747
Liabilities	1,528,924	881,085	158,490	5,472	2,573,971
Liquidity gap	(183,357)	252,139	(69,463)	436,457	435,776

33. FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Market risk- Currency risk

Exposure to currency risk

(a) The Group's exposure to foreign currency risk was as follows based on notional amounts:

	Financial assets 2008	**Financial liabilities 2008**	Financial assets 2007	Financial liabilities 2007
	MUR'000s	**MUR'000s**	MUR'000s	MUR'000s
Mauritian Rupee	**11,137,778**	**19,355,339**	7,993,173	12,580,648
United States Dollar	**2,498,764**	**223**	339,659	121,849
Great Britain Pound	**15,344**	**1,585**	10,248	2,819
Malagasy Ariary	**149,924**	**232,372**	155,166	225,715
Maltese Lira	-	-	1,484,483	-
South African Rand	-	-	58	375
Euro	**2,714,093**	**3,538,289**	11,142	122,492
Japanese Yen	-	-	980	94,848
	16,515,903	**23,127,808**	9,994,909	13,148,746

(b) The following significant exchange rates applied during the year:

	Average rate		Reporting date	
	2008	2007	**2008**	2007
USD 1	**28.48**	31.20	**31.55**	28.48
GBP 1	**52.19**	62.60	**45.79**	56.84
Kenyan Shilling 100	**41.10**	46.48	**41.60**	45.30
Euro 1	**41.54**	42.10	**44.60**	41.91
Maltese Lira 1 *	-	101.06	-	98.36

*Currency Maltese Lira was removed from the market (effective 1 January 2008) and replaced by Euro.

34. RELATED PARTY TRANSACTIONS

GROUP

2008

	Remuneration	Sale/ (purchase) of goods or services	Loans	Amount owed by related parties	Amount owed to related parties	Lease contract Contract Amount	Lease contract Amount outstanding	Customers' deposits
	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Key management personnel (including Directors)	134,929	2,804	31,802	-	-	1,090	308	3,011
Directors and corporations related to Directors	-	-	-	-	-	34,954	23,751	14,259
Other related parties	-	30,787	-	67,583	9,552	1,490	938	-

2007

	Remuneration	Sale/ (purchase) of goods or services	Loans	Amount owed by related parties	Amount owed to related parties	Lease contract Contract Amount	Lease contract Amount outstanding	Customers' deposits
	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Key management personnel (including Directors)	102,309	(593)	34,409	268	11,463	1,090	491	-
Directors and corporations related to Directors	-	258	4,547	-	184,310	37,992	28,976	8,366
Enterprises that have a number of key management/directors in common	-	-	-	-	73	-	-	-
Other related parties	-	101	-	71,757	-	3,052	1,950	-

34. RELATED PARTY TRANSACTIONS (CONTINUED)

COMPANY

2008

	Remuneration	Amount owed by related parties	Amount owed to related parties
	MUR'000s	MUR'000s	MUR'000s
Subsidiary companies	-	**434,577**	**2,163,190**
Directors and corporations related to Directors	-	-	**9,552**
Key management personnel (including Directors)	**15,960**	-	-

2007

	Remuneration	Amount owed by related parties	Amount owed to related parties
	MUR'000s	MUR'000s	MUR'000s
Subsidiary companies	-	583,368	958,928
Directors and corporations related to Directors	-	-	4,985
Key management personnel (including Directors)	14,750	-	179,325

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

35. COMMITMENTS

(a) **Capital commitments**

Capital expenditure contracted for at the balance sheet date but not recognised in the consolidated financial statements is as follows:

GROUP

	2008	2007
	MUR'000s	MUR'000s
Authorised by the board of Directors but not contracted for	93,289	-
Commitments for future leases	67,819	47,561
Contracted for but not provided for in the accounts	63,506	807
	224,614	48,368

(b) **Operating lease commitments**

GROUP

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

(i) Where the Group is the lessor

	2008	2007
	MUR'000s	MUR'000s
Within one year	111,010	75,466
Later than one year and before five years	179,574	157,775
After five years	628	4,191
	291,212	237,432

(ii) Where the Group is the lessee

GROUP

	2008	2007
	MUR'000s	MUR'000s
Within one year	32,591	15,324
Later than one year and before five years	86,508	36,643
After five years	28,832	28,112
	147,931	80,079

36. CONTINGENCIES

GROUP

Contingent Liabilities

	2008	2007
	MUR'000s	MUR'000s
Bank guarantees in favour of third parties	82,179	337,477
Guarantees given on behalf of third parties	110,116	-
Litigation- Court cases	-	59,000
Letters of credit and other obligations on account of customers	31,820	-
Inward bills/outward bills	158,047	-
Loan approved but not yet disbursed	162,710	-
	544,872	396,477

37. CONTRACTS OF SERVICE

None of the Directors has any contract of service with the Company.

38. DIRECTORS' INTERESTS

The interests of the Directors in the equity of the Company at year end were as follows:

Ordinary shares of MUR 1 each

	Direct	Indirect	Total
	%	%	%
Dawood A. Rawat (Chairman)	22.09	37.87	59.96
Saleem R. Beebeejaun	0.255	0.002	0.257
Ayoob M.H. Rawat	0.013	-	0.013
Bocar E. Dia	0.105	-	0.105

39. 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 the Company as at 10 May 2009.

	HOLDING
	%
British American Holdings Limited	47.33

40. CONTRACTS OF SIGNIFICANCE

At 31 December 2008, Mr Dawood A. Rawat, a Director of the Company, had mortgage loans with the Group, amounting to **MUR'000s 31,802** (2007: MUR'000s 34,409) bearing interest rate at 9% per annum (2007: between 8% and 15%).

41. SEGMENTAL INFORMATION

Primary reporting format
Business Segments

2008

	Financial Services	Trade & Commerce	Trans-portation	Construction & Property Development	Leisure & Hospitality	Healthcare	Others	Group
	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Gross revenue	7,938,436	2,182,006	1,692,722	864,718	676,812	1,372	51,021	13,407,087
Profit/(loss) from operations	610,887	161,809	114,103	(18,613)	(1,228)	(10,923)	(122,870)	733,165
Net profit/(loss)	342,575	68,881	46,574	(33,942)	(9,238)	(12,425)	(125,508)	276,917
Total assets	18,629,955	2,702,377	1,671,913	820,167	588,877	1,217,776	58,769	25,689,834
Total liabilities	19,394,303	1,497,357	1,031,549	566,936	212,151	329,007	96,505	23,127,808
Capital expenditure	222,961	72,513	15,612	35,379	13,227	811,120	4,861	1,175,673
Depreciation	176,149	20,026	12,162	9,570	11,365	2,062	5,857	237,191
Amortisation	83,111	2,901	-	389	165	-	148	86,714

2007

	Financial Services	Trade & Commerce	Trans-portation	Construction & Property Development	Leisure & Hospitality	Healthcare	Others	Group
	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Gross revenue	4,189,274	1,931,163	1,431,060	362,923	588,310	255	50,486	8,553,471
Profit/(loss) from operations	317,354	104,799	103,253	(15,372)	3,392	(3,865)	(107,590)	401,971
Net profit/(loss)	95,820	53,892	66,404	2,060	(5,461)	(3,865)	(106,633)	102,217
Total assets	8,916,930	2,539,749	1,317,124	819,631	603,165	285,657	68,196	14,550,452
Total liabilities	9,945,914	1,403,352	965,897	279,125	235,079	245,848	73,533	13,148,748
Capital expenditure	155,055	47,066	17,159	27,556	54,345	282,406	3,859	587,446
Depreciation	69,658	47,108	12,463	8,747	12,660	-	8,810	159,446
Amortisation	5,156	4,739	-	60	863	-	130	10,948

41. SEGMENT INFORMATION (CONTINUED)

Secondary reporting format

Geographical segment

2008	Republic of Mauritius	Republic of Malta	Malagasy Republic	France	Group
	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Gross revenue	**12,571,360**	**541,368**	**217,194**	**77,165**	**13,407,087**
Total assets	**20,991,296**	**4,414,652**	**254,890**	**28,996**	**25,689,834**
Capital expenditure	**1,168,818**	**3,171**	**3,684**	**-**	**1,175,673**

2007	Republic of Mauritius	Republic of Malta	Malagasy Republic	France	Group
	MUR'000s	MUR'000s	MUR'000s	MUR'000s	MUR'000s
Gross revenue	8,250,605	-	243,265	59,601	8,553,471
Total assets	14,275,573	-	240,659	34,220	14,550,452
Capital expenditure	583,678	-	3,768	-	587,446

The Group's business segments operate in three main geographical areas:

(i) Republic of Mauritius is the home country of the parent Company. The main areas of operation are investment, insurance, transportation, financial services including banking, trade & commerce, construction & property development, leisure & hospitality and healthcare.

(ii) The main area of operation in the Malagasy Republic and France is that of construction & property development and trade & commerce while that of Malta consists of financial services.

(iii) Other operations of the Group are not of sufficient size to be reported separately.

Gross revenue is based in the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

Capital expenditure comprises additions to property, plant and equipment.

42. FINANCIAL SUMMARY

GROUP

	2008 MUR'000s	2007 MUR'000s (Restated)
Issued and fully paid up share capital	95,074	95,074
Statutory reserve	11,620	-
General banking reserve	1,742	-
Revaluation reserve	513,690	372,466
Translation reserve	31,734	25,082
Other reserve	77,479	53,765
Retained earnings	849,087	732,182
Total assets	25,689,834	14,550,452
Total liabilities	23,127,808	13,148,748
Gross revenue	13,407,087	8,553,471
Profit before taxation	207,675	102,311
Taxation	(75,363)	2,096
Profit for the year	132,312	104,407
Minority interests	(144,605)	2,190
Profit attributable to shareholders	276,917	102,217
Dividends	46,586	46,586

COMPANY

	2008 MUR'000s	2007 MUR'000s
Issued and fully paid up share capital	95,074	95,074
Retained earnings	294,661	131,782
Other reserve	261,453	261,453
Total assets	4,372,885	3,344,910
Total liabilities	3,721,697	2,856,601
Gross revenue	697,801	277,222
Profit before taxation	204,798	48,259
Taxation	4,667	(10,204)
Profit attributable to shareholders	209,465	38,055
Dividends	46,586	46,586

Details of Directors Subsidiaries

	ACRE SERVICES LTD	AGENCE GENERALE DE COMMERCE LIMITEE	APOLLO BRAMWELL NURSING SCHOOL CO LTD (Ex Stafford Co Ltd)	ARC LUXHOME LTD (Ex Fort Stockton Ltd)	ARCASA (MTIUS) LTD	ASMO SECURITIES AND INVESTMENTS LTD	B A CORPORATE SERVICES LTD	B A LOGISTICS CO LTD	B A SALES LTD	B A TREASURY CO LTD	BACI HOLDING CO LTD	BAFS HOLDING CO LTD	BAI CO (MTIUS) LTD (Ex British American Insurance Co. (Mtius) Ltd)	BAI MEDICAL CENTRES LTD	BEVERLEY HILLS LTD	BLUE PARADISE LTD	BRAM THREE LTD	BRAMER ASSET MANAGEMENT LTD	BRAMER BANKING CORPORATION LTD (Ex South East Asian Bank Ltd)	BRAMER HOLDING CO LTD	BRAMER PROPERTY FUND LTD (Ex Provident Real Estate Fund Ltd)	BRAMER SECURITIES LTD	BRAMER LIMITED	BRAMWELL PHARMACEUTICALS CO LTD (Ex Castlebery Co Ltd)	BRITAM LTD	BRITISH AMERICAN EXCHANGE CO. LTD	BRITISH-AMERICAN FINANCIAL SERVICES LTD	BRITISH AMERICAN HOSPITALS ENTERPRISE LTD	BRITISH AMERICAN INVESTMENT CO. (MTIUS) LTD	BRITISH AMERICAN IP LTD	BRITISH AMERICAN (KENYA) HOLDINGS LIMITED	BRITISH-AMERICAN MANAGEMENT COMPANY LIMITED	BRITISH AMERICAN MORTGAGE FINANCE HOUSE CO LTD	BRITISH AMERICAN TRAVEL COMPANY LTD	BRITISH-AMERICAN (UK) LIMITED	BRUNALLI CO LTD	BUDGET TOURS (MAURITIUS) LIMITED	BUILDFAST CO LTD	CAMARFI LIMITED	CAR CLINIC LTD	CENTRAL LANDMARK DEVELOPMENT LIMITED	CENTRAL LAKE TRADING 132 PTY LTD	CMB MANAGEMENT LTD	COTTONWOOD INVESTMENTS HOLDING LIMITED	COURTS (INDIAN OCEAN) LTD
Aboobakar Lakhi		•																																											
Adeela Rawat									•																																				
Alex Fon Sing																																													
Andrew Borg Cardona LL.D.																																													
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David Boyce																					•																								
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Yee Fee Liet Yee Chin Koon																																													
Yee Sui Kong Yee Chuin Koon																																													

• : denotes Director
a : denotes Alternate Director
•**a**: denotes Director and Alternate Director

Details of Directors Subsidiaries (cont'd)

	COURTS (MAURITIUS) LIMITED	COURTS (MADAGASCAR) SARL	CREATIVE CAPITAL CO LTD	DEEN BANKING CORPORATION LTD (Previously Deen Finance House Ltd)	DEEN HOLDING CO LTD	DOLLIS CO LTD	DUBEN ENTERPRISE LTD	EFFENDI & CO LTD	ELEGANCE YACHTS LTD	ELYSIAN GARDEN LTD	FINISHING TOUCH INTERNATIONAL LTD	FLEETMASTER CO. LTD	FOREST GARDENS PROMOTION LTD	FORT ABACO INVESTMENT HOLDINGS LIMITED	FORT WORTH INVESTMENT HOLDINGS LTD	FURNITURE WORLD SAS	GENVINE CO LTD	GFSG (UK) LIMITED	GLOBAL ESTATES LIMITED	GLOBAL PROPERTIES LIMITED	GLOBALCAPITAL FINANCIAL MANAGEMENT LIMITED	GLOBALCAPITAL FUND ADVISORS LIMITED	GLOBALCAPITAL HEALTH INSURANCE AGENCY LIMITED	GLOBALCAPITAL HOLDINGS LIMITED	GLOBALCAPITAL INSURANCE BROKERS LIMITED	GLOBALCAPITAL INVESTMENTS LIMITED	GLOBALCAPITAL LIFE INSURANCE LIMITED	GLOBALCAPITAL PROPERTY ADVISORS LIMITED	GLOBALCAPITAL PROPERTY MANAGEMENT LIMITED	GLOBE PROPERTIES LIMITED	QUADRANT ITALIA SRL	GLOBALCAPITAL PLC	GREENSBORO PROMOTERS LTD	HAMID HOSSEN LTD	HDM INTERACTIVE LTD	HDM INVESTMENTS HOLDINGS LIMITED	HENNESSY COMPANY LIMITED	HOT SPRINGS INVESTMENT HOLDINGS LIMITED	HOT SPRINGS MANAGEMENT LTD	HUDSON BAY INVESTMENT HOLDINGS LTD (Now ILSAT Ltd)	HUMAN CAPITAL PARTNERS LTD	IFRAMAC (MADAGASCAR) SARL	IFRAMAC LIMITED	IFRAMAC PRE-OWNED LTD (Ex IDC Car World Limited)	IREKO CLIMATICS LTD
Aboobakar Lakhi																																													
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Stephen Bush																																													•
Stephen Muscat																											•																		
Sulliman Adam Moollan																																													
Sulleman Rawat								•																																					
Swadeck Taher OSK			•							•		•	•	•																					•	•	•				•				
Yatemani Gujadhur CSK																																													
Yee Fee Liet Yee Chin Koon																																													
Yee Sui Kong Yee Chuin Koon																																													

• : denotes Director
a : denotes Alternate Director
•**a**: denotes Director and Alternate Director

Details of Directors Subsidiaries (cont'd)

	IREKO CONSTRUCTION LTD (Ex Ireko Design and Construction Ltd)	IREKO DESIGN AND CONSTRUCTION (MADAGASCAR) LIMITED	IREKO FACILITIES LTD (Ex Facilities Management Services Ltd)	IREKO HOLDINGS LTD (Ex British American Properties Limited)	IREKO INTERIORS LTD (Ex Finishing Touch Company Limited)	IREKO LIFTS LTD	IREKO PROPERTY LTD (Ex Terranova Property Development Ltd)	IREKO REALTY LTD	IREKO SECURITY LTD	IREKO SERVICES LTD	ITINERAIRE LIMITEE	KITSATCHIE CO LTD	LE VOYAGEUR TRAVEL & TOURS LTD	MAGDALENA LIMITED	MARCOM CO LTD	MARYVALE LTD	MATELCO LIMITED	MEDHEALTH CARE INVESTMENT LTD	MEDIA METRIX LTD	MONTEVALLO CO LTD	MOTOR CARE LTD	PARTNERS IN PROGRESS FOUNDATION LTD	QC SYSTEMS & TECHNOLOGIES LTD	QUALITREAD MAURITIUS LTD	QUALITY LIVING COMPANY LTD	RENT A CAR CO LTD (Ex Agritec Car Hire Limited)	SAXTON LTD	SHILKA LTD (Now Bramwell Catering Co Ltd)	SILVER CITY HOLDINGS LTD	SILVER SPRING CO LTD	SOCIETE WEST POINT	SOLIS INDIAN OCEAN LTD	SYNERGIS RISK SERVICES LTD	TAMARINE LTD	TECHNOLOGY MANAGEMENT SERVICES LTD	THE INTERNATIONAL DEALERSHIP COMPANY LIMITED	THE MAURITIUS LEASING COMPANY LIMITED	TRAVEL HARBOUR (MTIUS) LIMITED	TRENTON LTD	TUCSON LTD	WISCONSIN INVESTMENT HOLDINGS LTD	WISEMAN HOLDINGS LTD	XANBOO INTERNATIONAL CO LTD	YEE CHUIN KOON & CO. LTD
Aboobakar Lakhi																								•																				
Adeela Rawat															•																													
Alex Fon Sing																				•																								
Andrew Borg Cardona LL.D.																																												
Arvind Unrodee		•																																										
Ashraf Esmael																																												
Ayoob Rawat																																					•							
Belal Nowbuth Noordally																																												
Benyram Chooramun																																					•							
Bertrand Rassool																				•		•																						
Bocar Dia															•																													
Cader Rawat																					•					•												•						
Chris Underwood																																												
Christopher Pace																																												
Claudio Feistritzer													•																															
Clifford James Fon Sing																				•																								
David Boyce	•			•		•		•	•																																			
David Isaacs OSK, CSK																																												
Dawood Rawat	•			•											•		•															•					•							
Deans Tommy Lo Seen Chong																																												
Dejan Ristic															•																													
Denis Tze Sek Sum																																												
Dr Chandra Prathap Reddy																																												
Dominic Dupont																								•												•								
Eddy Yeung																																												
Ehsan Fakim																																												
Emmanuel Jean Marie Antoine Limido																																												
Farhan Rawat											•						•								•																			
Farid Rashid Gulmohamed				•																																								
Francis Piat GOSK																																												
Fawzia Hossen																																												
Gary R. Marshall																																												
Hassam Vayid																																												
Henri Wan Min Kee																																												•
Henry Li Wan Po																																												
Hurrydeo Bissessur																																					a							
Ian Zammit																																												
Iqbal M Mallam- Hasham																																					•							
Ishack Rawat				•																																								
Ishwurlal Golam																																					a							
James Allen																																					•							
James Blake																																												
Jamie Victoria Mehdi-Tash																																												
Jean-Paul Jubineau																																												
Jean Francois Ulcoq	•																																											
Joseph M. Zrinzo																																												
Joseph R. Aquilina																																												
Kailash Nath Issur																																	•			•								•
Karl Heinz Gobel																																												
Kerima Rawat																																												
Lady Sara Moollan																																•		•										
Laina Rawat																									•																			
Lallah Dutt Surat																																												
Manickchand Beejan																																												
Mahmad Rawat																																												
Marc Ponnen																																												
Michael Moses Mehdi-Tash																																												
Moonessur Doolun																																												
Moussa Rawat	•					•		•	•																																			
Muni Krishna T. Reddy, GOSK																																												
Nicholas Ashford-Hodges																																											•	
Nicholas Portelli																																												
Omar Farouk Hossen OSK																																					•							
Oumeshsingh Sookdawoor																																			•								•	
Patrick McIntyre																																												
Patrick Montocchio																								•							•					•								
Pradeep Soorojebally																																												
Rachid Rizk																																												
Ramdeen Goorah																																												
Saleem Beebeejaun	•		•	•			•			•		•		•	•	•		•	•	•	•	•	•		•	•	•	•	•	•		a	•	•	•		•	•	•	•	•	•	•	•
Sansjiv Nuckchady				•																											•													
Seemadree Rajanah					•					•											•				•																			
Selina Tirvengadum																																												
Shobana Kamineni																																												
Shivananda Poolay Mootien																																					•							
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Yatemani Gujadhur CSK				•																																	•							
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• **a** : denotes Director and Alternate Director

Directors of the company's subsidiaries

List of Directors of British American Investment Co. (Mtius) Ltd Group of Companies ceasing to hold office in 2008

Name of Directors	Name of Companies
Bertrand L. M. Rassool	BRAMER HOLDING CO LTD
	BRITISH AMERICAN INVESTMENT CO. (MTIUS) LTD
Claude Emmanuel Wong So	BRAMER PROPERTY FUND LTD
Farhan A. Rawat	ARCASA (MTIUS) LTD
Jean Francois Ulcoq	BRAMER PROPERTY FUND LTD
Ravindra Chetty	BRAMER PROPERTY FUND LTD
Saleem R. Beebeejaun	BRAMER PROPERTY FUND LTD
Sansjiv C. Nuckchady	BRAMER PROPERTY FUND LTD
Seemadree Rajanah	ARCASA (MTIUS) LTD
E. M. Swadeck Taher OSK	HOT SPRINGS INVESTMENT HOLDINGS LIMITED
Voon Chong Fon Sing	BRAMER PROPERTY FUND LTD
Voon Yue Choon Wan Min Kee	BRAMER PROPERTY FUND LTD
Iqbal A. Nuzeebun	IREKO CONSTRUCTION LTD

Corporate Information

BOARD OF DIRECTORS

-	Dawood A. Rawat	Chairman
-	J. Nicholas Ashford -Hodges	Non-Executive Director
-	Ayoob M. H. Rawat	Non-Executive Director
-	Farid R. Gulmohamed	Non-Executive Director
-	Saleem R. Beebeejaun	Executive Director
-	Farouk A. A. Hossen OSK	Non-Executive Director
-	Shivananda P. Mootien	Non-Executive Director
-	Bocar E. Dia	Non-Executive Director

CHIEF EXECUTIVE OFFICER

Saleem R. Beebeejaun

REGISTERED OFFICE

25, Pope Hennessy Street, Port Louis, Mauritius.
Telephone: (230) 202 3600, Fax: (230) 208 3713
E-mail: bai@intnet.mu

SECRETARY

B A Corporate Services Ltd

AUDITORS

KPMG
KPMG Centre, 30 St Georges Street, Port Louis, Mauritius

BANKERS

Barclays Bank Plc
Habib Bank Limited
Bramer Banking Corporation Ltd
State Bank of Mauritius Ltd
The Hong Kong and Shanghai Banking Corporation Limited
The Mauritius Commercial Bank Limited
Bank One Limited
Banque des Mascareignes Ltée

LEGAL ADVISORS

Sir Hamid Moollan QC
Iqbal Moollan

REGISTRY

SBM Financials Limited

APPOINTED ACTUARY

Triangle Actuarial Services

INVESTOR RELATIONS

Saleem R. Beebeejaun
Chief Executive Officer

Notes

Notes

BRITISH AMERICAN INVESTMENT

BAI Building
25 Pope Hennessy Street, P.O Box 331, Port Louis, Mauritius.
Tel: (230) 202 3600 - Fax: (230) 208 3713
Email: bai@intnet.mu