**ABC LIMITED & ITS SUBSIDIARIES**

Co Reg No. 199956789A

(Incorporated in the Republic of Singapore)

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

**ABC LIMITED & ITS SUBSIDIARIES**

**DIRECTORS’ REPORT**

**For the financial year ended 31 December 2014**

The Directors present their report together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2014.

**1. DIRECTORS**

The Directors of the Company in office at the date of this report are:

Jacob Tan (Chairman)

Emily Lee (Deputy Chairman)

Michael Goh (Chief Executive Officer)

Joshua Lim

**2.** **AUDIT COMMITTEE**

The Audit Committee of the Board of Directors comprises five independent Directors. Members of the Committee are:

Lim Daniel (Chairman)

Tony Tan

Emma Ho

Alvin Yeo

Danny Lin

The Audit Committee recommended to the Board of Directors the re-appointment of ABC LLP as external auditors of the Company at the forthcoming Annual General Meeting.

**3.** **DIRECTORS' INTEREST IN SHARES AND DEBENTURES**

According to the Register of Directors' shareholdings kept by the Company for the purpose of Section 164 of the Companies Act, none of the Directors holding office at the end of the financial year had any interest in the shares and debentures of the Company and related corporations, except as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Holdings At |  |
|  | 1.1.2014 | 31.12.2014 | 21.1.2014 |
| **ABC Limited** |  |  |  |
| *(Ordinary shares)* |  |  |  |
| Jacob Tan | 20,000 | 33,000 | 33,000 |
| Emily Lee | 9,000 | 43,200 | 43,200 |
| Michael Goh | 2,321,666 | 3,114,832 | 3,114,832 |
| Joshua Lim | 200,000 | 220,000 | 220,000 |
|  |  |  |  |

**ABC LIMITED & ITS SUBSIDIARIES**

**DIRECTORS’ REPORT**

**For the financial year ended 31 December 2014**

**4.** **AUDITORS**

The auditors, ABC LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board

**JACOB TAN** **EMILY LEE**

Chief Executive Officer Senior Executive Director

Singapore, 2 February 2015

**ABC LIMITED & ITS SUBSIDIARIES**

**STATEMENT BY DIRECTORS**

**For the financial year ended 31 December 2014**

We, JACOB TAN and EMILY LEE being two Directors of ABC Limited, do hereby state that in the opinion of the Directors, **the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view** of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, **there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.**

On behalf of the Board

**JACOB TAN** **EMILY LEE**

Chief Executive Officer Senior Executive Director

Singapore, **2 February 2015**

### ABC LIMITED & ITS SUBSIDIARIES

### INDEPENDENT AUDITORS’ REPORT to the Members of ABC Limited

**For the financial year ended 31 December 2014**

**Report on the Financial Statements**

We have audited the accompanying financial statements of ABC Limited (“Company”) and its subsidiaries (“Group”) which comprise the balance sheets of the Group and the Company as at 31 December 2014, the profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the “Act”) and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

**Auditors’ Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ABC LIMITED & ITS SUBSIDIARIES

### INDEPENDENT AUDITORS’ REPORT to the Members of ABC Limited

**For the financial year ended 31 December 2014**

**Opinion**

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are **properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.**

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

**ABC LLP**

Public Accountants and Certified Public Accountants

Singapore

Olivia Tan

Partner

Appointed on 21 April 2014

**2 February 2015**

### ABC LIMITED & ITS SUBSIDIARIES

#### BALANCE SHEETS

#### As at 31 December 2014

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Group** | | **Company** | |
|  | Note | **31**  **December**  **2014**  **$’000** | 31  December  2013  $’000 | **31**  **December 2014**  **$’000** | 31  December 2013  $’000 |
|  |  |  |  |  |  |
| **Share capital** | 3 | **1,016,112** | 906,409 | **1,016,112** | 906,409 |
| **Reserves** | 4 | **6,374,270** | 5,508,975 | **4,193,452** | 3,783,517 |
| **Share capital & reserves** |  | **7,390,382** | 6,415,384 | **5,209,564** | 4,689,926 |
| **Non-controlling interests** |  | **3,800,674** | 2,866,384 | **-** | - |
| **Capital employed** |  | **11,191,056** | 9,281,768 | **5,209,564** | 4,689,926 |
|  |  |  |  |  |  |
| **Represented by:** |  |  |  |  |  |
| **Fixed assets** | 5 | **2,715,517** | 2,243,150 | **4,080** | 5,120 |
| **Investment properties** | 6 | **4,610,107** | 3,207,539 | **-** | - |
| **Subsidiaries** | 7 | **-** | - | **3,928,160** | 3,580,409 |
| **Associated companies** | 8 | **4,232,047** | 3,586,904 | **-** | 55 |
| **Investments** | 9 | **310,759** | 299,896 | **-** | - |
| **Long term assets** | 10 | **267,060** | 28,646 | **339** | 360 |
| **Intangibles** | 11 | **98,573** | 107,676 | **-** | - |
|  |  | **12,234,063** | 9,473,811 | **3,932,579** | 3,585,944 |
| Current assets |  |  |  |  |  |
| Stocks & work-in-progress  in excess of related billings | 12 | **6,218,945** | 3,940,126 | **-** | - |
| Amounts due from:  - subsidiaries | 13 | **-** | - | **2,204,813** | 1,732,273 |
| - associated companies | 13 | **403,775** | 305,162 | **1,483** | 2,575 |
| Debtors | 14 | **2,027,933** | 1,958,993 | **78,164** | 82,416 |
| Short term investments | 15 | **577,400** | 536,872 | **-** | - |
| Bank balances, deposits & cash | 16 | **3,020,454** | 4,245,990 | **1,621** | 207,073 |
|  |  | **12,248,507** | 10,987,143 | **2,286,081** | 2,024,337 |
| Current liabilities |  |  |  |  |  |
| Creditors | 17 | **5,323,267** | 4,342,963 | **234,396** | 138,435 |
| Billings on work-in-progress  in excess of related costs | 12 | **1,863,881** | 1,638,193 | **-** | - |
| Provisions | 18 | **77,674** | 83,586 | **-** | - |
| Amounts due to:  - subsidiaries | 13 | **-** | - | **229,852** | 241,792 |
| - associated companies | 13 | **63,918** | 180,609 | **-** | - |
| Term loans | 19 | **808,475** | 391,764 | **17,668** | 9,047 |
| Taxation | 27 | **478,911** | 455,079 | **22,244** | 26,147 |
| Bank overdrafts | 20 | **-** | 736 | **-** | - |
|  |  | **8,616,126** | 7,092,930 | **504,160** | 415,421 |
| **Net current assets** |  | **3,632,381** | 3,894,213 | **1,781,921** | 1,608,916 |
| **Non-current liabilities** |  |  |  |  |  |
| Term loans | 19 | **4,068,696** | 3,675,968 | **500,000** | 500,000 |
| Deferred taxation | 21 | **606,692** | 410,288 | **4,936** | 4,934 |
|  |  | **4,675,388** | 4,086,256 | **504,936** | 504,934 |
|  |  |  |  |  |  |
| **Net assets** |  | **11,191,056** | 9,281,768 | **5,209,564** | 4,689,926 |

See accompanying notes to the financial statements.

### ABC LIMITED & ITS SUBSIDIARIES

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**For the financial year ended 31 December 2014**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Note | **2014**  **$’000** | 2013  $’000 |
| **Revenue** | 22 | **10,082,467** | 9,139,608 |
| Materials and subcontract costs |  | **(6,273,001)** | (5,767,767) |
| Staff costs | 23 | **(1,432,889)** | (1,367,077) |
| Depreciation and amortisation |  | **(208,571)** | (188,633) |
| Other operating expenses |  | **(270,699)** | (259,820) |
| **Operating profit** | 24 | **1,897,307** | 1,556,311 |
| Investment income | 25 | **24,589** | 7,946 |
| Interest income | 25 | **113,982** | 111,350 |
| Interest expenses | 25 | **(98,230)** | (64,701) |
| Share of results of associated companies | 8 | **239,772** | 278,211 |
| **Profit before tax and exceptional items** |  | **2,177,420** | 1,889,117 |
| Exceptional items | 26 | **1,135,282** | 661,101 |
| **Profit before taxation** |  | **3,312,702** | 2,550,218 |
| Taxation | 27 | **(640,506)** | (560,060) |
| **Profit for the year** |  | **2,672,196** | 1,990,158 |
|  |  |  |  |
| Attributable to:  **Shareholders of the Company** |  | **1,840,512** | 1,511,064 |
| **Non-controlling interests** |  | **831,684** | 479,094 |
|  |  | **2,672,196** | 1,990,158 |
|  |  |  |  |
|  |  |  |  |
| Earnings per ordinary share | 28 |  |  |
| - basic |  | **103.5 cts** | 85.9 cts |
| - diluted |  | **102.4 cts** | 85.3 cts |
|  |  |  |  |
| Gross dividend per ordinary share | 29 |  |  |
| Interim dividend paid |  | **17.0 cts** | 14.5 cts |
| Final dividend proposed |  | **26.0 cts** | 23.7 cts |
| Total distribution |  | **43.0 cts** | 38.2 cts |

See accompanying notes to the financial statements.

### ABC LIMITED & ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the financial year ended 31 December 2014**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2014**  **$’000** | 2013  $’000 |
| **Profit for the year** |  | **2,672,196** | 1,990,158 |
|  |  |  |  |
| Available-for-sale assets |  |  |  |
| - Fair value changes arising during the year |  | **(146,669)** | 130,996 |
| - Realised & transferred to profit and loss account |  | **(18,906)** | 1,663 |
|  |  |  |  |
| Cash flow hedges |  |  |  |
| - Fair value changes arising during the year, net of tax |  | **(116,932)** | (1,247) |
| - Realised & transferred to profit and loss account |  | **10,725** | (47,508) |
|  |  |  |  |
| Foreign exchange translation |  |  |  |
| - Exchange difference arising during the year |  | **15,617** | (100,559) |
| - Realised & transferred to profit and loss account |  | **(4,077)** | 10,013 |
|  |  |  |  |
| Share of other comprehensive (expense)/income  of associated companies |  | **(13,880)** | 3,133 |
| **Other comprehensive (expense)/income for the year,**  **net of tax** |  | **(274,122)** | (3,509) |
|  |  |  |  |
| **Total comprehensive income for the year** |  | **2,398,074** | 1,986,649 |
|  |  |  |  |
| **Attributable to:** |  |  |  |
| Shareholders of the Company |  | **1,570,211** | 1,547,122 |
| Non-controlling interests |  | **827,863** | 439,527 |
|  |  | **2,398,074** | 1,986,649 |

See accompanying notes to the financial statements.

### ABC LIMITED & ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the financial year ended 31 December 2014**

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **OPERATING ACTIVITIES** |  |  |
| Operating profit | **1,897,307** | 1,556,311 |
| Adjustments: |  |  |
| Depreciation and amortisation | **208,571** | 188,633 |
| Share-based payment expenses | **51,274** | 38,437 |
| Profit on sale of fixed assets and investment properties | **(26,959)** | (4,949) |
| Impairment of assets | **-** | 10,715 |
| Operational cash flow before changes in working capital | **2,130,193** | 1,789,147 |
| Working capital changes: |  |  |
| Stocks & work-in-progress | **(1,856,459)** | (594,375) |
| Debtors | **(314,907)** | (292,304) |
| Creditors | **563,681** | (65,033) |
| Investments | **(217,518)** | (71,646) |
| Intangibles | **(10,199)** | (5,256) |
| Advances to associated companies | **(223,772)** | 928 |
| Translation of foreign subsidiaries | **9,414** | (73,660) |
|  | **80,433** | 687,801 |
| Interest received | **119,032** | 112,888 |
| Interest paid | **(98,118)** | (57,223) |
| Income taxes paid, net of refunds received | **(343,424)** | (293,226) |
| **Net cash (used in)/from operating activities** | **(242,077)** | 450,240 |
| **INVESTING ACTIVITIES** |  |  |
| Acquisition of subsidiary and business | **-** | (49,184) |
| Advance payment for acquisition of a subsidiary | **(207,930)** | - |
| Acquisition and further investment in associated companies | **(477,340)** | (343,788) |
| Acquisition of fixed assets and investment properties | **(875,773)** | (873,073) |
| Proceeds from disposal of interest in a subsidiary | **-** | 16,281 |
| Disposal of subsidiaries | **(153)** | - |
| Return of capital and disposal of associated companies | **53,970** | 303,165 |
| Proceeds from disposal of fixed assets and investment properties | **73,936** | 58,430 |
| Dividend received from investments and associated companies | **175,516** | 245,119 |
| **Net cash used in investing activities** | **(1,257,774)** | (643,050) |
| **FINANCING ACTIVITIES** |  |  |
| Proceeds from share issues | **99,281** | 73,501 |
| Proceeds from non-controlling shareholders of subsidiaries | **245,275** | 5,091 |
| Proceeds from disposal of interest in a subsidiary | **24,991** | - |
| Proceeds from term loans | **1,231,567** | 3,221,224 |
| Repayment of term loans | **(422,128)** | (921,644) |
| Acquisition of additional shares in subsidiaries | **(22,211)** | (117,464) |
| Dividend paid to shareholders of the Company | **(723,857)** | (627,183) |
| Dividend paid to non-controlling shareholders of subsidiaries | **(157,867)** | (129,580) |
| **Net cash from financing activities** | **275,051** | 1,503,945 |
| **Net (decrease)/increase in cash and cash equivalents** | **(1,224,800)** | 1,311,135 |
| **Cash and cash equivalents as at 1 January** | **4,245,254** | 2,934,119 |
| **Cash and cash equivalents as at 31 December** | **3,020,454** | 4,245,254 |

See accompanying notes to the financial statements.

**ABC LIMITED & ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2014**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1.** **GENERAL**

The Company is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its principal place of business and registered office is 1 Broadway Avenue #01-01, Singapore 123456.

The Company's principal activity is that of an **investment holding and management company**.

There has been no significant change in the nature of these principal activities during the financial year.

The financial statements of the Group for the financial year ended 31 December 2014 and the balance sheet and statement of changes in equity of the Company at 31 December 2014 were authorised for issue in accordance with a resolution of the Board of Directors on **2 February 2015**.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

### ABC LIMITED & ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2014**

**5. PROPERTY, PLANT AND EQUIPMENT**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Group** | Freehold  Land &  Buildings  $’000 |  | Leasehold  Land &  Buildings  $’000 |  | Motor Vehicles  $’000 | Plant,  Machinery  &  Equipment  $’000 | Capital  Work-in-Progress  $’000 | Total  $’000 |
| **2014** |  |  |  |  |  |  |  |  |
| **Cost** |  |  |  |  |  |  |  |  |
| At 1 January | **121,558** |  | **1,353,706** |  | **320,642** | **1,991,375** | **256,398** | **4,043,679** |
| Additions | **8,507** |  | **22,854** |  | **5,163** | **45,193** | **553,566** | **635,283** |
| Disposals | **(1,225)** |  | **(10,124)** |  | **(30,127)** | **(34,908)** | **-** | **(76,384)** |
| Write-off | **-** |  | **-** |  | **(1,202)** | **(1,005)** | **(5)** | **(2,212)** |
| Subsidiary disposed | **-** |  | **(67)** |  | **-** | **(1,463)** | **-** | **(1,530)** |
| Reclassification |  |  |  |  |  |  |  |  |
| - Stocks | **-** |  | **13,559** |  | **-** | **-** | **-** | **13,559** |
| - Investment properties | **-** |  | **24,500** |  | **-** | **64,500** | **-** | **89,000** |
| - Other assets | **9** |  | **76** |  | **(12,276)** | **(2,460)** | **(698)** | **(15,349)** |
| - Other fixed assets  categories | **(26,645)** |  | **47,559** |  | **132,019** | **60,882** | **(213,815)** | **-** |
| Exchange differences | **338** |  | **(5,279)** |  | **(1,975)** | **(3,964)** | **(706)** | **(11,586)** |
| At 31 December | **102,542** |  | **1,446,784** |  | **412,244** | **2,118,150** | **594,740** | **4,674,460** |
|  |  |  |  |  |  |  |  |  |
| **Accumulated**  **Depreciation &**  **Impairment Losses** |  |  |  |  |  |  |  |  |
| At 1 January | **33,757** |  | **572,107** |  | **141,732** | **1,052,933** | **-** | **1,800,529** |
| Depreciation charge | **3,616** |  | **52,052** |  | **24,472** | **121,855** | **-** | **201,995** |
| Impairment loss  (Note 26) | **891** |  | **16,900** |  | **-** | **-** | **-** | **17,791** |
| Disposals | **(636)** |  | **(4,147)** |  | **(9,229)** | **(32,313)** | **-** | **(46,325)** |
| Write-off | **-** |  | **-** |  | **(1,023)** | **(782)** | **-** | **(1,805)** |
| Subsidiary disposed | **-** |  | **(66)** |  | **-** | **(1,206)** | **-** | **(1,272)** |
| Reclassification |  |  |  |  |  |  |  |  |
| - Stocks | **-** |  | **-** |  | **-** | **248** | **-** | **248** |
| - Other assets | **25** |  | **67** |  | **(4,166)** | **(2,031)** | **-** | **(6,105)** |
| - Other fixed assets  categories | **-** |  | **260** |  | **-** | **(260)** | **-** | **-** |
| Exchange differences | **(117)** |  | **(2,816)** |  | **(762)** | **(2,418)** | **-** | **(6,113)** |
| At 31 December | **37,536** |  | **634,357** |  | **151,024** | **1,136,026** | **-** | **1,958,943** |
| **Net Book Value** | **65,006** |  | **812,427** |  | **261,220** | **982,124** | **594,740** | **2,715,517** |

### ABC LIMITED & ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2014**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Group** | Freehold  Land &  Buildings  $’000 |  | Leasehold  Land &  Buildings  $’000 |  | Motor Vehicles $’000 |  | Plant,  Machinery  &  Equipment  $’000 |  | Capital  Work-in-Progress  $’000 |  | Total  $’000 |
| **2013** |  |  |  |  |  |  |  |  |  |  |  |
| **Cost** |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January | 54,337 |  | 1,333,783 |  | 233,049 |  | 1,855,079 |  | 278,232 |  | 3,754,480 |
| Additions | 147 |  | 30,454 |  | 48,017 |  | 52,817 |  | 99,405 |  | 230,840 |
| Disposals | - |  | (2,573) |  | (22,797) |  | (20,062) |  | - |  | (45,432) |
| Write-off | (22) |  | (68) |  | - |  | (4,751) |  | (7,442) |  | (12,283) |
| Subsidiary acquired | 68,377 |  | 3,762 |  | 44,033 |  | 60,517 |  | - |  | 176,689 |
| Subsidiaries disposed | - |  | - |  | - |  | (1,239) |  | - |  | (1,239) |
| Reclassification |  |  |  |  |  |  |  |  |  |  |  |
| - Stocks | - |  | - |  | - |  | (946) |  | - |  | (946) |
| - Investment properties | (676) |  | - |  | - |  | 162 |  | - |  | (514) |
| - Other assets | (92) |  | (7,615) |  | - |  | (30) |  | (945) |  | (8,682) |
| - Other fixed assets  categories | 606 |  | 16,100 |  | 21,247 |  | 71,480 |  | (109,433) |  | - |
| Exchange differences | (1,119) |  | (20,137) |  | (2,907) |  | (21,652) |  | (3,419) |  | (49,234) |
| At 31 December | 121,558 |  | 1,353,706 |  | 320,642 |  | 1,991,375 |  | 256,398 |  | 4,043,679 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Accumulated**  **Depreciation &**  **Impairment Losses** |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January | 18,852 |  | 522,729 |  | 125,689 |  | 930,038 |  | - |  | 1,597,308 |
| Depreciation charge | 2,319 |  | 48,382 |  | 22,760 |  | 113,254 |  | - |  | 186,715 |
| Impairment loss  (Note 26) | - |  | 10,319 |  | - |  | 17,453 |  | - |  | 27,772 |
| Disposals | - |  | (1,742) |  | (11,532) |  | (16,839) |  | - |  | (30,113) |
| Write-off | (22) |  | (470) |  | (3,913) |  | (3,634) |  | - |  | (8,039) |
| Subsidiary acquired | 13,254 |  | 2,539 |  | 10,522 |  | 26,838 |  | - |  | 53,153 |
| Subsidiaries disposed | - |  | - |  | - |  | (232) |  | - |  | (232) |
| Reclassification  - Stocks | - |  | - |  | - |  | 178 |  | - |  | 178 |
| - Other assets | (26) |  | (1,158) |  | - |  | (89) |  | - |  | (1,273) |
| - Other fixed assets  categories | - |  | 450 |  | - |  | (450) |  | - |  | - |
| Exchange differences | (620) |  | (8,942) |  | (1,794) |  | (13,584) |  | - |  | (24,940) |
| At 31 December | 33,757 |  | 572,107 |  | 141,732 |  | 1,052,933 |  | - |  | 1,800,529 |
| **Net Book Value** | 87,801 |  | 781,599 |  | 178,910 |  | 938,442 |  | 256,398 |  | 2,243,150 |

During the financial year, the Group recognised impairment losses of $17,791,000 (2013: $27,772,000) which relates to write-down of non-performing assets in the Property and Investment divisions. **ABC LIMITED & ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2014**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Company |  |  | Freehold  Land &  Buildings  $’000 |  | Plant,  Machinery  & Equipment  $’000 |  | Total  $’000 |
| **2014** |  |  |  |  |  |  |  |
| **Cost** |  |  |  |  |  |  |  |
| At 1 January |  |  | **6,569** |  | **6,867** |  | **13,436** |
| Additions |  |  | **-** |  | **101** |  | **101** |
| Disposals |  |  | **-** |  | **(80)** |  | **(80)** |
| At 31 December |  |  | **6,569** |  | **6,888** |  | **13,457** |
| **Accumulated**  **Depreciation** |  |  |  |  |  |  |  |
| At 1 January |  |  | **1,793** |  | **6,523** |  | **8,316** |
| Depreciation charge |  |  | **41** |  | **209** |  | **250** |
| Impairment loss |  |  | **891** |  | **-** |  | **891** |
| Disposals |  |  | **-** |  | **(80)** |  | **(80)** |
| At 31 December |  |  | **2,725** |  | **6,652** |  | **9,377** |
| **Net Book Value** |  |  | **3,844** |  | **236** |  | **4,080** |
|  |  |  |  |  |  |  |  |
| **2013** |  |  |  |  |  |  |  |
| **Cost** |  |  |  |  |  |  |  |
| At 1 January |  |  | 6,569 |  | 7,046 |  | 13,615 |
| Additions |  |  | - |  | 133 |  | 133 |
| Disposals |  |  | - |  | (312) |  | (312) |
| At 31 December |  |  | 6,569 |  | 6,867 |  | 13,436 |
| **Accumulated**  **Depreciation** |  |  |  |  |  |  |  |
| At 1 January |  |  | 1,752 |  | 6,433 |  | 8,185 |
| Depreciation charge |  |  | 41 |  | 298 |  | 339 |
| Disposals |  |  | - |  | (208) |  | (208) |
| At 31 December |  |  | 1,793 |  | 6,523 |  | 8,316 |
| **Net Book Value** |  |  | 4,776 |  | 344 |  | 5,120 |

**14. TRADE AND OTHER RECEIVABLES**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Group | | |  | **Company** | | |
|  | **2014**  **$’000** |  | 2013  $’000 |  | **2014**  **$’000** |  | 2013  $’000 |
| Trade debtors | **1,249,437** |  | 1,053,217 |  | **-** |  | - |
| Provision for doubtful debts | **(39,367)** |  | (39,156) |  | **-** |  | - |
|  | **1,210,070** |  | 1,014,061 |  | **-** |  | - |
|  |  |  |  |  |  |  |  |
| Long term receivables due  within one year (Note 10) | **11,315** |  | 1,431 |  | **195** |  | 200 |
| Sundry debtors | **83,154** |  | 62,598 |  | **853** |  | 371 |
| Prepaid project cost & prepayments | **85,628** |  | 57,275 |  | **210** |  | 197 |
| Derivative financial  instruments (Note 33) | **96,736** |  | 106,488 |  | **76,541** |  | 81,228 |
| Tax recoverable | **21,652** |  | 23,189 |  | **-** |  | - |
| Goods & Services Tax receivable | **92,094** |  | 88,466 |  | **-** |  | - |
| Interest receivable | **14,701** |  | 19,751 |  | **31** |  | 42 |
| Deposits paid | **19,479** |  | 18,246 |  | **334** |  | 378 |
| Land tender deposits | **38,020** |  | 140,021 |  | **-** |  | - |
| Advance land payments | **115,493** |  | 241,796 |  | **-** |  | - |
| Recoverable accounts | **42,057** |  | 41,765 |  | **-** |  | - |
| Accrued receivables | **17,981** |  | 9,459 |  | **-** |  | - |
| Advances to subcontractors | **103,294** |  | 116,386 |  | **-** |  | - |
| Advances to corporations in which  the Group has investment interests | **249** |  | 250 |  | **-** |  | - |
| Advances to non-controlling  shareholders of subsidiaries | **104,474** |  | 44,759 |  | **-** |  | - |
|  | **846,327** |  | 971,880 |  | **78,164** |  | 82,416 |
| Provision for doubtful debts | **(28,464)** |  | (26,948) |  | **-** |  | - |
|  | **817,863** |  | 944,932 |  | **78,164** |  | 82,416 |
| Total | **2,027,933** |  | 1,958,993 |  | **78,164** |  | 82,416 |

Movements in the provision for debtors are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| At 1 January | **66,104** |  | 64,372 |  | **-** |  | - |
| Charge to profit and loss account | **4,619** |  | 5,609 |  | **-** |  | - |
| Amount written off | **(2,370)** |  | (2,598) |  | **-** |  | - |
| Subsidiary disposed | **(228)** |  | - |  | **-** |  | - |
| Exchange differences | **(294)** |  | (1,279) |  | **-** |  | - |
| At 31 December | **67,831** |  | 66,104 |  | **-** |  | - |

**17. TRADE AND OTHER PAYABLES**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Group | | |  | Company | | |
|  | **2014**  **$’000** |  | 2013  $’000 |  | **2014**  **$’000** |  | 2013  $’000 |
| Trade creditors | **850,953** |  | 682,357 |  | **-** |  | 38 |
| Customers' advances  and deposits | **98,334** |  | 74,999 |  | **57** |  | 57 |
| Derivative financial  instruments (Note 33) | **141,422** |  | 51,720 |  | **90,665** |  | 26,950 |
| Sundry creditors | **1,000,570** |  | 754,078 |  | **3,404** |  | 16,905 |
| Accrued operating expenses | **2,720,461** |  | 2,305,512 |  | **136,798** |  | 90,980 |
| Advances from  non-controlling shareholders | **361,795** |  | 337,410 |  | **-** |  | - |
| Retention monies | **132,489** |  | 119,756 |  | **-** |  | - |
| Interest payables | **17,243** |  | 17,131 |  | **3,472** |  | 3,505 |
|  | **5,323,267** |  | 4,342,963 |  | **234,396** |  | 138,435 |

Advances from non-controlling shareholders of certain subsidiaries are unsecured and are repayable on demand. Interest is charged at rates ranging from 0.93% to 12.00% (2013: 1.04% to 6.00%) per annum on interest-bearing loans.