FINANCIAL STATEMENTS

Komatsu Heavy Equipment and Mining Contracting | Indonesia

DIRECTORS' REPORT

The directors of Jardine Cycle & Carriage Limited present their report to the members together with the audited financial statements for the financial year ended 31st December 2014.

1. Directors

The directors of the Company in office at the date of this report are as follows:

Benjamin William Keswick (Chairman)
Boon Yoon Chiang (Deputy Chairman)#
David Alexander Newbigging (Group Managing Director)
Chiew Sin Cheok (Group Finance Director)
Tan Sri Azlan Zainol
Chang See Hiang#
Mark Spencer Greenberg#
Hassan Abas#
Michael Kok Pak Kuan
Lim Hwee Hua#
Anthony John Liddell Nightingale
James Arthur Watkins#
Raden Mohammad Marty Muliana Natalegawa (appointed on 24th February 2015)

Audit Committee member.

Lim Ho Kee resigned on 28th February 2014.
Cheah Kim Teck retired on 30th April 2014.

2. Directors' Interests

As at 31st December 2014 and 1st January 2014, the directors of the Company had interests set out below in the ordinary shares of the related companies. These were direct interests except where otherwise indicated:

Name of director/ Par value per share	Jardine Matheson US$0.25	Jardine Strategic US$0.05	Dairy Farm US$0.05 5/9	Astra International Rp50	Hongkong Land US$0.10
As at 31st December 2014					
Benjamin Keswick	2,595,083 39,507,924*	-	-	-	-
Michael Kok	-	-	582,888	-	-
Anthony Nightingale	1,157,335 11,335#	18,052	34,183	6,100,000	2,184
James Watkins	50,000	-	-	-	-
As at 1st January 2014					
Benjamin Keswick	2,547,643 39,359,902*	-	-	-	-
Michael Kok	-	-	782,688	-	-
Anthony Nightingale	1,150,170 11,081#	17,922	34,183	6,100,000	2,184
James Watkins	50,000	-	-	-	-

Non-beneficial deemed interest.
* Deemed interest in shares held by family trusts in which Benjamin Keswick is a beneficiary.

2. Directors' Interests (continued)

In addition:

(a) At 31st December 2014, Benjamin Keswick, Alexander Newbigging, Chiew Sin Cheok and Mark Greenberg held options in respect of 220,000 (1.1.14: 220,000), 80,000 (1.1.14: 80,000), 20,000 (1.1.14: 20,000) and 240,000 (1.1.14: 240,000) ordinary shares, respectively, in Jardine Matheson issued pursuant to that company's Senior Executive Share Incentive Schemes.

(b) At 31st December 2014 and 1st January 2014, Benjamin Keswick and Mark Greenberg had deemed interests in 35,915,991 ordinary shares in Jardine Matheson as discretionary objects under the 1947 Trust, the income of which is available for distribution to senior executive officers and employees of Jardine Matheson and its wholly-owned subsidiaries.

There were no changes in the abovementioned interests with regards to the Company between the end of the financial year and 21st January 2015.

No other person who was a director of the Company at the end of the financial year had an interest in any shares or debentures of the Company or its related companies either at the beginning or end of the financial year or on 21st January 2015.

At no time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as shown in Note 31 to the financial statements and in this report, and except that certain directors who are nominees of the substantial shareholders have employment relationships either with the substantial shareholders or their related companies and have received remuneration in those capacities.

3. Audit Committee

In relation to the financial statements of the Group and the Company for the financial year ended 31st December 2014, the Audit Committee reviewed the audit plans and scope of the audit examination of the internal and external auditors of the Company. The internal and external auditors' findings on the internal controls of the companies within the Group and management's response to these findings were also discussed with the internal and external auditors and management. The Audit Committee's activities included a review of the financial statements of the Group and the Company for the financial year ended 31st December 2014 and the reports of the external auditors thereon. The Audit Committee has had four meetings since the report of the previous financial year.

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

4. Share Options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

5. **Auditors**

Our auditors, PricewaterhouseCoopers LLP, being eligible, have expressed their willingness to accept re-appointment at the Annual General Meeting.

On behalf of the directors

Benjamin Keswick
Director

Hassan Abas
Director

Singapore
13th March 2015

STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying financial statements set out on pages 41 to 124 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company at 31st December 2014, the results of the business and the changes in equity of the Group and of the Company and the cash flows of the Group 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 directors

Benjamin Keswick
Director

Hassan Abas
Director

Singapore
13th March 2015

INDEPENDENT AUDITOR'S REPORT

To the members of Jardine Cycle & Carriage Limited (Incorporated in Singapore) and subsidiaries

Report on the Financial Statements

We have audited the accompanying financial statements of Jardine Cycle & Carriage Limited (the "Company") and its subsidiaries (the "Group") set out on pages 41 to 124, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31st December 2014, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group and the profit and loss account, the statement of comprehensive income 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 information.

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 International Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 controls relevant to the entity's preparation of financial statements that gives 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.

Opinion

In our opinion, the consolidated financial statements of the Group and balance sheet, the profit and loss account, the statement of comprehensive income and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and International 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 31st December 2014, and of the results, changes in equity of the Group and of the Company and cash flows of the Group 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.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
13th March 2015

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2014

	Notes	2014 US$m	2013 US$m
Revenue	3	**18,675.4**	19,787.8
Net operating costs	4	**(16,897.4)**	(17,724.8)
Operating profit		**1,778.0**	2,063.0
Financing income		**102.0**	78.4
Financing charges		**(117.0)**	(106.7)
Net financing charges	6	**(15.0)**	(28.3)
Share of associates' and joint ventures' results after tax	16	**576.2**	590.1
Profit before tax		**2,339.2**	2,624.8
Tax	7	**(478.8)**	(535.6)
Profit after tax		**1,860.4**	2,089.2
Profit attributable to:			
Shareholders of the Company		**820.2**	915.0
Non-controlling interests		**1,040.2**	1,174.2
		1,860.4	2,089.2

	Notes	US¢	US¢
Earnings per share:			
- basic	9	**230.59**	257.24
- diluted	9	**230.59**	257.24

The notes on pages 51 to 124 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2014

	Notes	**2014 US$m**	2013 US$m
Profit for the year		**1,860.4**	2,089.2
Items that will not be reclassified to profit and loss:			
Asset revaluation reserve			
- surplus during the year		**14.6**	8.6
Remeasurements of defined benefit plans		**(3.4)**	13.5
Tax relating to items that will not be reclassified	7	**1.0**	(3.4)
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		**4.7**	0.5
		16.9	19.2
Items that may be reclassified subsequently to profit and loss:			
Translation differences			
- losses arising during the year		**(246.8)**	(2,200.4)
Available-for-sale investments			
- gains/(losses) arising during the year	17	**25.4**	(12.0)
- transfer to profit and loss		**(19.2)**	(11.4)
		6.2	(23.4)
Cash flow hedges			
- losses arising during the year		**(133.9)**	(53.0)
- transfer to profit and loss		**103.1**	74.8
		(30.8)	21.8
Tax relating to items that may be reclassified	7	**7.5**	(5.7)
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		**(4.5)**	5.2
		(268.4)	(2,202.5)
Other comprehensive expense for the year, net of tax		**(251.5)**	(2,183.3)
Total comprehensive income/(expense) for the year		**1,608.9**	(94.1)
Attributable to:			
Shareholders of the Company		**697.6**	2.6
Non-controlling interests		**911.3**	(96.7)
		1,608.9	(94.1)

The notes on pages 51 to 124 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

As at 31st December 2014

	Notes	At 31st December 2014 US$m	At 31st December 2013 US$m
Non-current assets			
Intangible assets	10	**922.3**	835.6
Leasehold land use rights	11	**618.3**	502.0
Property, plant and equipment	12	**3,548.1**	3,746.6
Investment properties	13	**203.7**	112.6
Plantations	14	**907.6**	856.2
Interests in associates and joint ventures	16	**2,624.4**	2,363.1
Non-current investments	17	**525.0**	428.8
Non-current debtors	20	**2,898.6**	2,625.5
Deferred tax assets	25	**231.6**	195.3
		12,479.6	11,665.7
Current assets			
Current investments	17	**17.8**	17.5
Stocks	18	**1,538.1**	1,346.4
Current debtors	20	**4,704.9**	4,475.6
Current tax assets		**109.7**	103.6
Bank balances and other liquid funds			
- non-financial services companies		**1,389.9**	1,317.1
- financial services companies		**382.1**	284.0
	21	**1,772.0**	1,601.1
		8,142.5	7,544.2
Total assets		**20,622.1**	19,209.9
Non-current liabilities			
Non-current creditors	22	**280.0**	261.5
Provisions	23	**89.2**	85.2
Long-term borrowings			
- non-financial services companies		**448.3**	551.3
- financial services companies		**2,176.3**	1,673.6
	24	**2,624.6**	2,224.9
Deferred tax liabilities	25	**401.7**	466.4
Pension liabilities	26	**210.1**	188.0
		3,605.6	3,226.0

The notes on pages 51 to 124 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31st December 2014

	Notes	At 31st December 2014 US$m	At 31st December 2013 US$m
Current liabilities			
Current creditors	22	**2,983.9**	2,839.8
Provisions	23	**55.7**	44.3
Current borrowings			
- non-financial services companies		**1,180.7**	1,069.2
- financial services companies		**1,891.8**	2,079.0
	24	**3,072.5**	3,148.2
Current tax liabilities		**105.8**	68.6
		6,217.9	6,100.9
Total liabilities		**9,823.5**	9,326.9
Net assets		**10,798.6**	9,883.0
Equity			
Share capital	27	**632.6**	632.6
Revenue reserve	28	**4,813.7**	4,329.9
Other reserves	29	**(823.1)**	(701.4)
Shareholders' funds		**4,623.2**	4,261.1
Non-controlling interests	30	**6,175.4**	5,621.9
Total equity		**10,798.6**	9,883.0

The notes on pages 51 to 124 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2014

		Attributable to shareholders of the Company							
	Notes	Share capital US$m	Revenue reserve US$m	Asset revaluation reserve US$m	Translation reserve US$m	Fair value and other reserves US$m	Total US$m	Attributable to non-controlling interests US$m	Total equity US$m
2014									
Balance at 1st January		**632.6**	**4,329.9**	**338.8**	**(1,078.8)**	**38.6**	**4,261.1**	**5,621.9**	**9,883.0**
Total comprehensive income		**-**	**819.3**	**8.2**	**(117.2)**	**(12.7)**	**697.6**	**911.3**	**1,608.9**
Dividends paid by the Company	8	**-**	**(379.6)**	**-**	**-**	**-**	**(379.6)**	**-**	**(379.6)**
Dividends paid to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**(493.1)**	**(493.1)**
Change in shareholding		**-**	**44.2**	**-**	**-**	**-**	**44.2**	**135.4**	**179.6**
Other		**-**	**(0.1)**	**-**	**-**	**-**	**(0.1)**	**(0.1)**	**(0.2)**
Balance at 31st December		**632.6**	**4,813.7**	**347.0**	**(1,196.0)**	**25.9**	**4,623.2**	**6,175.4**	**10,798.6**
2013									
Balance at 1st January		632.6	3,786.7	333.7	(143.5)	23.8	4,633.3	6,064.7	10,698.0
Total comprehensive income		-	918.0	5.1	(935.3)	14.8	2.6	(96.7)	(94.1)
Issue of shares to non-controlling interests		-	-	-	-	-	-	17.8	17.8
Dividends paid by the Company	8	-	(435.1)	-	-	-	(435.1)	-	(435.1)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(540.5)	(540.5)
Change in shareholding		-	61.3	-	-	-	61.3	126.1	187.4
Acquisition/disposal of subsidiaries		-	-	-	-	-	-	51.7	51.7
Other		-	(1.0)	-	-	-	(1.0)	(1.2)	(2.2)
Balance at 31st December		632.6	4,329.9	338.8	(1,078.8)	38.6	4,261.1	5,621.9	9,883.0

The notes on pages 51 to 124 form an integral part of the financial statements.

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2014

	Notes	2014 US$m	2013 US$m
Revenue	3	**417.3**	508.1
Net operating costs	4	**(19.0)**	(16.7)
Operating profit		**398.3**	491.4
Financing charges	6	**(0.8)**	(0.9)
Profit before tax		**397.5**	490.5
Tax	7	**(37.2)**	(42.5)
Profit after tax		**360.3**	448.0

The notes on pages 51 to 124 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2014

	Notes	**2014 US$m**	2013 US$m
Profit for the year		**360.3**	448.0
Items that may be reclassified subsequently to profit and loss:			
Net exchange translation difference			
- gains/(losses) arising during the year		**(64.7)**	(54.9)
Available-for-sale investment			
- gains/(losses) arising during the year	17	**1.6**	1.3
Other comprehensive income/(expense) for the year		**(63.1)**	(53.6)
Total comprehensive income for the year		**297.2**	394.4

The notes on pages 51 to 124 form an integral part of the financial statements.

BALANCE SHEET

As at 31st December 2014

	Notes	**2014 US$m**	2013 US$m
Non-current assets			
Property, plant and equipment	12	**35.7**	37.5
Interests in subsidiaries	15	**1,339.7**	1,397.8
Interests in associates and joint ventures	16	**124.1**	127.1
Non-current investment	17	**8.9**	7.7
		1,508.4	1,570.1
Current assets			
Current debtors	20	**50.3**	44.1
Bank balances and other liquid funds	21	**2.6**	11.5
		52.9	55.6
Total assets		**1,561.3**	1,625.7
Non-current liabilities			
Deferred tax liabilities	25	**0.2**	0.2
		0.2	0.2
Current liabilities			
Current creditors	22	**20.2**	19.7
Current borrowings	24	**49.2**	31.6
Current tax liabilities		**1.6**	1.7
		71.0	53.0
Total liabilities		**71.2**	53.2
Net assets		**1,490.1**	1,572.5
Equity			
Share capital	27	**632.6**	632.6
Revenue reserve	28	**505.8**	525.1
Other reserves	29	**351.7**	414.8
Total equity		**1,490.1**	1,572.5

The notes on pages 51 to 124 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2014

	Notes	Share capital US$m	Revenue reserve US$m	Translation reserve US$m	Fair value and other reserves US$m	Total equity US$m
2014						
Balance at 1st January		**632.6**	**525.1**	**414.7**	**0.1**	**1,572.5**
Total comprehensive income		**-**	**360.3**	**(64.7)**	**1.6**	**297.2**
Dividends paid	8	**-**	**(379.6)**	**-**	**-**	**(379.6)**
Balance at 31st December		**632.6**	**505.8**	**350.0**	**1.7**	**1,490.1**
2013						
Balance at 1st January		632.6	512.2	469.6	(1.2)	1,613.2
Total comprehensive income		-	448.0	(54.9)	1.3	394.4
Dividends paid	8	-	(435.1)	-	-	(435.1)
Balance at 31st December		632.6	525.1	414.7	0.1	1,572.5

The notes on pages 51 to 124 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2014

	Notes	2014 US$m	2013 US$m
Cash flows from operating activities			
Cash generated from operations	35	**1,794.3**	2,641.4
Interest paid		**(62.9)**	(89.0)
Interest received		**101.9**	76.0
Other finance costs paid		**(53.1)**	(18.1)
Income taxes paid		**(540.3)**	(679.5)
		(554.4)	(710.6)
Net cash flows from operating activities		**1,239.9**	1,930.8
Cash flows from investing activities			
Sale of leasehold land use rights		**0.5**	5.3
Sale of property, plant and equipment		**35.8**	24.4
Sale of investment properties		**-**	1.1
Sale of subsidiaries, net of cash disposed	36	**0.7**	12.8
Sale of associate		**12.1**	-
Sale of investments		**80.5**	92.3
Purchase of intangible assets		**(155.8)**	(135.4)
Purchase of leasehold land use rights		**(66.6)**	(126.7)
Purchase of property, plant and equipment		**(654.2)**	(679.5)
Purchase of investment properties		**(67.3)**	(58.0)
Additions to plantations		**(82.0)**	(64.7)
Purchase of subsidiaries, net of cash acquired	36	**(26.4)**	(73.8)
Purchase of shares in associates and joint ventures		**(100.0)**	(76.7)
Purchase of investments		**(183.3)**	(99.4)
Capital repayment of investments		**17.7**	16.5
Dividends received from associates and joint ventures (net)		**354.0**	323.7
Net cash flows used in investing activities		**(834.3)**	(838.1)
Cash flows from financing activities			
Drawdown of loans		**6,892.3**	5,607.7
Repayment of loans		**(6,473.6)**	(5,356.1)
Changes in controlling interests in subsidiaries	36	**179.6**	209.3
Investments by non-controlling interests		**-**	15.6
Dividends paid to non-controlling interests		**(493.1)**	(540.5)
Dividends paid by the Company	8	**(379.6)**	(435.1)
Net cash flows used in financing activities		**(274.4)**	(499.1)
Net change in cash and cash equivalents		**131.2**	593.6
Cash and cash equivalents at the beginning of the year		**1,601.0**	1,201.0
Effect of exchange rate changes		**25.9**	(193.6)
Cash and cash equivalents at the end of the year	36	**1,758.1**	1,601.0

The notes on pages 51 to 124 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st 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. The address of its registered office is 239 Alexandra Road, Singapore 159930.

The principal activities of the Group are the manufacture, assembly, distribution and retail of motor vehicles and motorcycles, financial services, heavy equipment and mining, agribusiness, infrastructure, logistics and others, and information technology. The Company acts as an investment holding company and a provider of management services.

On 13th March 2015, the Jardine Cycle & Carriage Limited Board of Directors authorised the financial statements for issue.

2 Significant Accounting Policies

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

2.1 Basis of Preparation

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board. The financial statements have been prepared on a going concern basis under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.32.

The following new amendments and interpretation to existing standard which are effective in the accounting period and relevant to the Group's operations were adopted in 2014:

Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

The adoption of these amendments and interpretation does not have any material impact on the Group's accounting policies and disclosures.

Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities' are made to the application guidance in IAS 32 and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of offset' and 'simultaneous realisation and settlement'.

Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets' set out the changes to the disclosures when recoverable amount is determined based on fair value less costs of disposal. The key amendments are (a) to remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite lived intangible assets but there has been no impairment, (b) to require disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognised or reversed, and (c) to require detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed.

Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting' provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

2 Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

IFRIC 21 'Levies' sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

The following standards and amendments which are effective after 2014, are relevant to the Group's operations and yet to be adopted:

		Effective for accounting periods beginning on or after
IFRS 9	Financial Instruments	1st January 2018
IFRS 15	Revenue from Contracts with Customers	1st January 2017
Amendments to IAS 1	Presentation of Financial Statements	1st January 2016
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1st January 2016
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1st January 2016
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	1st January 2016
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	1st July 2014
Annual Improvements to IFRSs	2010 – 2012 Cycle	1st July 2014
	2011 – 2013 Cycle	1st July 2014
	2012 – 2014 Cycle	1st January 2016

The Group is currently assessing the impact of these standards and amendments. The Group will adopt these new standards and amendments from their respective effective dates.

A complete set of IFRS 9 'Financial Instruments' has been published which replaces IAS 39 'Financial Instruments: Recognition and Measurement'. This complete version includes new guidance on the classification and measurement of financial assets and liabilities. It also includes an expected credit losses model that replaces the incurred loss impairment model used today. A substantially-reformed approach to hedge accounting is also introduced.

There are three categories for financial assets under IFRS 9: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The measurement principles of each category are similar to the current requirements under IAS 39. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Classification determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis.

IFRS 9 introduces a new expected-loss impairment model which replaces the 'incurred loss' model in IAS 39. A loss event will no longer need to occur before an impairment allowance is recognised. In practice, the new rules mean that entities will have to record a day one loss equal to the 12-month expected credit loss on initial recognition of financial assets that are not credit impaired (or lifetime expected credit loss for trade receivables). IFRS 9 contains a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method.

Where there has been a significant increase in credit risk, impairment is measured using lifetime expected credit loss rather than 12-month expected credit loss. The model also applies to certain loan commitments and financial guarantees, and includes operational simplifications for lease and trade receivables.

IFRS 9 introduces a substantially-reformed model for hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect in their financial statements how they manage risks associated with financial instruments. Additional disclosures about risk management activity and the effect of hedge accounting on the financial statements are required.

2 Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

IFRS 15 'Revenue from Contracts with Customers' is a new standard which contains a single model that applies to contracts with customers and two approaches to recognising revenue, that is at a point in time or over time. IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfers of Assets from Customers' and SIC-31 'Revenue – Barter Transactions Involving Advertising Services'.

The core principle of IFRS 15 is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in new disclosure requirements on revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Amendments to IAS 1 'Presentation of Financial Statements' are part of the International Accounting Standards Board's initiatives to improve the effectiveness of disclosure in financial reporting. Amendments to IAS 1 clarify that companies shall apply professional judgments in determining what information to disclose and how to structure it in the financial statements. The amendments include narrow-focus improvements in the guidance on materiality, disaggregation and subtotals, note structure, disclosure of accounting policies and presentation of items of other comprehensive income arising from equity accounted investments.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business'. Full gain or loss will be recognised by the investor where the non-monetary assets constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests.

Amendments to IFRS 11 'Joint Arrangements' introduce new guidance on the accounting for the acquisition of an interest in a joint operation that constitutes a business. Acquirers of such interests shall apply all of the principles on business combinations accounting in IFRS 3 'Business Combinations', and other IFRSs, that do not conflict with the guidance in IFRS 11 and disclose the information that is required in those IFRSs in relation to business combinations.

Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets' clarify that the use of revenue-based methods to calculate the depreciation or amortisation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments to IAS 38 further clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption however, can be rebutted in certain limited circumstances.

Amendments to IAS 16 'Property, Plant and Equipment' and IAS 41 'Agriculture' provide definition to a bearer plant and require bearer plants to be accounted for in the same way as property, plant and equipment in IAS 16, because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

Amendments to IAS 19 'Employee Benefits' regarding defined benefit plans apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual Improvements to IFRSs 2010 – 2012 Cycle, 2011 – 2013 Cycle and 2012 – 2014 Cycle comprise a number of non-urgent but necessary amendments. None of these amendments is likely to have a significant impact on the consolidated financial statements of the Group.

2 Significant Accounting Policies (continued)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the Group's interests in associates and joint ventures on the basis set out below.

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued, liabilities incurred or assumed and any contingent consideration at the date of exchange. Acquisition-related costs are expensed off. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition dates, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated profit and loss account. In a business combination achieved in stages, the Group remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in the profit and loss account. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in the profit and loss account.

All material inter-company balances, transactions and unrealised gains and deficits on transactions between Group companies have been eliminated.

An associate is an entity, not being a subsidiary or joint venture, over which the Group exercises significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting and are initially recorded at cost. The Group's investment in associates and joint ventures includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are included in the carrying amount of the associates and joint ventures. Its share of post-acquisition profit and loss is recognised in the consolidated profit and loss account.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the consolidated financial statements only to the extent of unrelated investor's interests in the associates and joint ventures.

The results of subsidiaries, associates and joint ventures are included or excluded from the consolidated financial statements from the effective dates of acquisition or disposal, respectively. The results of entities other than subsidiaries, associates and joint ventures are included to the extent of dividends received when the right to receive such dividend is established.

Non-controlling interests represent the proportion of the results and net assets of subsidiaries and their associates and joint ventures not attributable to the Group.

2 Significant Accounting Policies (continued)

2.3 Property, Plant and Equipment

Freehold land and buildings, and the building component of owner-occupied leasehold properties are stated at cost less any accumulated depreciation and impairment loss. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Mining properties, which are contractual rights to mine and own coal reserves in specified concession areas, and other assets are stated at historical cost or at fair value if acquired as part of a business combination, less accumulated depreciation and impairment loss. Cost of mining properties includes expenditure to restore and rehabilitate coal mining areas following the completion of production.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial year in which they are incurred.

Freehold land is not depreciated. Mining properties are depreciated using the unit of production method. Depreciation of all other assets is calculated using the straight line method to allocate the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

Building and leasehold improvements	$3^1/_3$% - 50%
Plant and machinery	5% - 50%
Office furniture, fixtures and equipment	10% - 50%
Transportation equipment and motor vehicles	4% - 50%

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at each balance sheet date and adjusted, if appropriate.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

2.4 Plantations

Plantations, which principally comprise oil palm plantations and exclude the related land, are measured at each balance sheet date at their fair values, representing the present value of expected net cash flows from the assets in their present location and condition determined internally, less estimated point of sale costs, based on a discounted cash flow method using unobservable inputs. Changes in fair values are recorded in the profit and loss account. The plantations which have a life of approximately 25 years are considered mature three to four years after planting and once they are generating fresh fruit bunches which average four to six tonnes per hectare per year.

2.5 Investment Properties

Investment properties are properties, including those held under operating leases, held for long-term rental yields or capital gains, but their business model does not necessarily envisage that the properties will be held for their entire useful life. Investment properties are stated at fair value, representing estimated open market value determined annually by independent qualified valuers who have recent experience in the location and category of the investment property being valued. Changes in fair values are recorded in the profit and loss account. Investment properties under development are measured at cost until its fair value becomes reliably measurable or construction is completed (whichever is earlier).

2 Significant Accounting Policies (continued)

2.6 Intangible Assets

i) Goodwill

Goodwill represents the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of any previously held equity interest in the acquiree over the acquisition-date fair value of the net identifiable assets acquired. Non-controlling interests are measured at their proportionate share of the net identifiable assets at the acquisition date. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the profit and loss account. Goodwill on acquisition of associates and joint ventures is included in interests in associates and joint ventures while goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of subsidiaries is tested annually for impairment and carried at cost less accumulated impairment loss.

The profit or loss on disposal of subsidiaries, associates and joint ventures is stated after deducting the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing.

ii) Franchise rights

Franchise rights, which are rights under franchise agreements, are separately identified intangible assets acquired as part of a business combination. These franchise agreements are expected to continue for an indefinite period and, where these agreements do not have indefinite terms, it is believed that renewal of these agreements can be obtained without significant costs, taking into account the history of renewal and the relationships between the franchisee and contracting parties. Franchise rights are not amortised, but are tested annually for impairment and carried at cost less accumulated impairment loss.

iii) Concession rights

Concession rights are operating rights for toll roads under service concession agreements. The cost of the construction services provided is amortised using the straight line method over the service concession periods that range from 31 - 39 years.

iv) Customer acquisition costs

Commissions that are related to securing new insurance contracts and renewing existing insurance contracts with a term of more than one year are capitalised. All other costs are recognised as expenses when incurred. The customer acquisition costs are subsequently amortised over the lives of the contracts that range from 1 to 4 years.

v) Deferred exploration costs

Exploration costs are capitalised when the rights of tenure of a coal mining area are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area. Deferred exploration costs are amortised using the unit of production method, and are assessed for impairment if facts and circumstances indicate that an impairment may exist.

vi) Computer software

Computer software is stated at cost less accumulated amortisation and impairment loss. These costs are amortised using the straight line method over their estimated useful lives of 1-7 years.

2.7 Leasehold Land Use Rights

Leasehold land use rights are payments to acquire long-term interests in owner-occupied property. Leasehold land use rights acquired by way of a business combination are measured at their fair values at the acquisition date. For subsequent measurement, leasehold land use rights are amortised over the useful lives of the leases which include the renewal period if the leases can be renewed without significant cost. The estimated useful lives range from 1 to 94 years.

2 Significant Accounting Policies (continued)

2.8 Impairment of Non-financial Assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each balance sheet date.

2.9 Financial Assets

Financial assets are initially recognised at fair value plus transaction costs. Subsequent measurement of financial assets depends on the classification of the financial assets.

The Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets and held-to-maturity financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortised cost using the effective interest method, less impairment allowance. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as "debtors" in the balance sheet.

ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are stated at fair values and are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Unrealised gains and losses arising from changes in the fair value of these investments are recognised in other comprehensive income and accumulated under equity in the fair value reserve. On disposal of investments or when an investment is determined to be impaired, the cumulative gains and losses previously deferred in equity is recognised in the profit and loss account.

iii) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are carried at amortised cost using the effective interest method.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

The fair values of quoted financial assets are based on current market prices. If the market for a financial asset is not active (and for unquoted securities), the Group establishes fair values by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, or discounted cash flow analysis.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account) is removed from the fair value reserve within equity and recognised in the profit and loss account. Impairment testing of debtors is described in Note 2.12.

2 Significant Accounting Policies (continued)

2.10 Investments in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are stated in the financial statements of the Company at cost. When an indication of impairment exists, the carrying amount of the investment is written down immediately to its recoverable amount. The write-down is charged to the profit and loss account.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is generally determined using the first-in, first-out method, specific identification method and weighted average method. The cost of finished goods and work in progress comprises goods held for resale, raw materials, labour and an appropriate portion of overheads. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.12 Debtors

Debtors, excluding derivative financial instruments, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial, less allowance for impairment. Repossessed assets of financial services companies, which represent collateral obtained from customers towards settlement of receivables that are in default, are measured at the lower of cost of the carrying amount of the debtors in default and fair value less costs to sell. The financial services company is given the right by the customers to sell the repossessed collateral. Any excess of proceeds from the sale over the outstanding receivables is refunded to the customer.

An allowance for impairment of debtors is established when there is objective evidence that the outstanding amounts will not be collected. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the debtors are impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the profit and loss account. Bad debts are written off as soon as it is established that these are irrecoverable. Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

2.13 Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise deposits with banks and financial institutions, bank and cash balances, net of bank overdrafts. In the balance sheet, bank overdrafts are included under current borrowings.

2.14 Borrowings

Borrowings are initially stated at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date. Borrowing costs that are not used in financing the acquisition or construction of qualifying assets, are recognised as an expense in the period in which they are incurred.

2.15 Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is more likely than not that an outflow of economic resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made.

i) Warranty and goodwill expenses

The Group recognises the estimated liability that falls due under the warranty terms offered on sale of new and used vehicles beyond that which is reimbursed by the manufacturer. The provision is calculated based on the past history of repairs.

ii) Closure costs

The Group recognises a provision for closure costs when legal or constructive obligations arise on closure or disposal of businesses.

2 Significant Accounting Policies (continued)

2.16 Creditors

Creditors, excluding derivative financial instruments, are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Creditors are classified under non-current liabilities unless their maturities are within 12 months after the balance sheet date.

2.17 Employee Benefits

i) Pension obligations

The Group operates a number of defined benefit and defined contribution plans.

Pension accounting costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the costs of providing pensions are charged to the profit and loss account spreading the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. The pension obligations are measured as the present value of the estimated future cash outflows by reference to market yields on government bonds which have terms to maturity approximating the terms of the related liability. Plan assets are measured at fair value. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, and are recognised in other comprehensive income and accumulated under equity in the revenue reserve. Past service costs are recognised immediately in the profit and loss account.

The Group pays fixed contributions into separate entities for defined contribution plans and has no legal or constructive obligations once the contributions are paid. The Group's contributions to the defined contribution plans are charged to the consolidated profit and loss account in the period to which the contributions relate.

ii) Share-based compensation

The Group operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options in respect of shares in the Company or in its subsidiaries is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options on the grant date, excluding the impact of non-market vesting conditions. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to share option reserve over the remaining vesting period.

The proceeds received net of any transaction costs are credited to share capital when the options are exercised.

iii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

2 Significant Accounting Policies (continued)

2.18 Foreign Currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the Singapore Dollar. The financial statements of the Group and the Company are presented in United States Dollars to serve the needs of the readers of the Group's and the Company's financial statements who are spread globally and reflects the international nature of the Group.

Foreign currency transactions of each entity in the Group are translated into its functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account, except when recognised in other comprehensive income and accumulated under equity in the hedging reserve as qualifying cash flow hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in the profit and loss account, and other changes in carrying amount are recognised in other comprehensive income and accumulated under equity in the fair value reserve. Translation differences on non-monetary financial assets and liabilities are recognised in other comprehensive income and accumulated under equity in the fair value reserve.

For the purpose of consolidation, the balance sheets of foreign entities are translated into the Group's presentation currency in United States Dollars at the rates of exchange prevailing at the balance sheet date and the results of foreign entities are translated into United States Dollars at the average exchange rates for the financial year. The resulting exchange differences are recognised in other comprehensive income and accumulated in equity under the translation reserve. On disposal, these translation differences are recognised in the profit and loss account as part of the gain or loss on sale. None of the Group's entities has the currency of a hyperinflationary economy.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange prevailing at the balance sheet date. For the purpose of presenting the financial statements of the Company in United States Dollars, assets and liabilities of the Company are translated at the rates of exchange prevailing at the balance sheet date, the results of the Company are translated at the average exchange rates for the financial year and share capital and reserves are translated at the exchange rates prevailing at the dates of the transactions. The resulting exchange differences are taken to the Company's translation reserve.

The exchange rates used for translating assets and liabilities at the balance sheet date are US$1=S$1.3205 (2013: US$1=S$1.2656), US$1=RM3.4928 (2013: US$1=RM3.2815), US$1=IDR12,440 (2013: US$1=IDR 12,189) and US$1=VND21,388 (2013: US$1=VND21,110).

The exchange rates used for translating the results for the year are US$1=S$1.2695 (2013: US$1=S$1.2539), US$1=RM3.2792 (2013: US$1=RM3.1726), US$1=IDR11,885 (2013: US$1= IDR10,563) and US$1=VND21,217 (2013: US$1=VND21,046).

2 Significant Accounting Policies (continued)

2.19 Revenue Recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

i) Revenue from the sale of goods is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

ii) Receipts under operating leases are accounted for on an accrual basis over the lease terms.

iii) Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

iv) Revenue from consumer financing and finance leases is recognised over the term of the respective contracts based on a constant rate of return on the net investment.

v) Interest income is recognised on a time proportion basis taking into account the principal amounts outstanding and the interest rates applicable.

vi) Dividend income is recognised when the right to receive payment is established.

2.20 Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Provision for deferred tax is made on the revaluation of certain non-current assets and, in relation to business acquisitions, on the difference between the fair values of the net assets acquired and their tax bases. Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 Significant Accounting Policies (continued)

2.21 Leases

i) Finance leases - Group is the lessee

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term borrowings, except for those with maturities of less than 12 months which are included in current borrowings. The interest element of the finance cost is charged to the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful lives of the assets or the lease term.

ii) Operating leases - Group is the lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

iii) Finance leases - Group is the lessor

When assets are leased out 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. Revenue from finance leases is recognised over the term of the respective contracts based on a constant periodic rate of return on the net investment.

iv) Operating leases - Group is the lessor

The Group leases out certain property, plant and equipment and investment properties. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

2.22 Non-current Assets held for Sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Once classified as held for sale, the assets are no longer amortised or depreciated.

2.23 Insurance Contracts

Insurance contracts are those contracts that transfer significant insurance risk. Premiums are recognised as revenue (earned premiums) proportionately over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability.

Claims and loss adjustment expenses are charged to profit and loss account as incurred based on the estimated liabilities for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the balance sheet date even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analysis for the claims incurred but not reported.

2.24 Financial Guarantee Contracts

Financial guarantee contracts under which the Group accepts significant risk from a third party by agreeing to compensate that party on the occurrence of a specified uncertain future event are accounted for in a manner similar to insurance contracts. Provisions are recognised when it is probable that the guarantee will be called upon and an outflow of resources embodying economic benefits will be required to settle the obligations.

2 Significant Accounting Policies (continued)

2.25 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.26 Non-trading Items

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of plantations and investment properties; gains and losses arising from sale of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for closure of businesses; acquisition-related costs in business combinations and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into the Group's underlying business performance.

2.27 Derivative Financial Instruments

The Group only enters into derivative financial instruments in order to hedge underlying exposures. Derivative financial instruments are initially recognised in the balance sheet at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair values. The method of recognising the resulting gain or loss is dependent on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. On the date a derivative contract is entered into, the Group designates certain derivatives as either a hedge of the fair value of a recognised asset or liability (fair value hedge), a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment (cash flow hedge) or a hedge of a net investment in a foreign entity (net investment hedge).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective, are recorded in the profit and loss account, along with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The gain or loss relating to the ineffective portion is recognised in the profit and loss account. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria of hedge accounting, the cumulative adjustment to the carrying amount of a hedged item, for which the effective interest method is used, is amortised to the profit and loss account over the residual period to maturity.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under the hedging reserve. Changes in the fair value relating to the ineffective portion are recognised immediately in the profit and loss account. Where the forecasted transaction or firm commitment results in the recognition of a non-financial asset or of a non-financial liability, the gains and losses previously deferred in equity are transferred from hedging reserve and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts deferred in equity are transferred to the profit and loss account and classified as income or expense in the same period during which the hedged firm commitment or forecasted transaction affects the profit and loss account. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserve at that time remains in equity and is recognised when the committed or forecasted transaction ultimately is recognised in the profit and loss account. When a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the profit and loss account.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IAS 39. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised immediately in the profit and loss account.

Hedges of net investments in foreign entities are accounted for on a similar basis to that used for cash flow hedges. Changes in the fair value of the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in equity under the translation reserve; changes in the fair value relating to the ineffective portion is recognised immediately in the profit and loss account.

The fair value of derivative financial instruments is classified as a non-current asset or liability if the remaining maturities of the derivative financial instruments are greater than 12 months.

2.28 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board who is responsible for allocating resources and assessing performance of the operating segments.

2 Significant Accounting Policies (continued)

2.29 Dividends

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

2.30 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.31 Financial Risk Management

i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps, caps and collars, cross-currency swaps, forward foreign exchange contracts and forward currency options as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. It is the Group's policy not to enter into derivative transactions for speculative purposes. The notional amounts and fair values of derivative financial instruments at 31st December 2014 are disclosed in Note 33.

a) Market risk

Foreign exchange risk

Entities within the Group are exposed to foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

Entities in the Group use cross-currency swaps, forward foreign exchange contracts and foreign currency options in a consistent manner to hedge firm and anticipated foreign exchange commitments and manage their foreign exchange risk arising from future commercial transactions. The Group does not usually hedge its net investments in foreign operations except in circumstances where there is a material exposure arising from a currency that is anticipated to be volatile and the hedging is cost effective. Group entities are required to manage their foreign exchange risk against their functional currency. Foreign currency borrowings are required to be swapped into the entity's functional currency using cross-currency swaps except where the foreign currency borrowings are repaid with cash flows generated in the same foreign currency. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss account of the Group.

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. At 31st December 2014, the Group's Indonesian Rupiah functional currency entities had United States Dollar denominated net monetary assets of US$175.3 million (2013: liabilities of US$158.9 million). At 31st December 2014, if the United States Dollar had strengthened/weakened by 10% against the Indonesian Rupiah with all other variables held constant, the profit attributable to shareholders of the Company would have been US$2.9 million higher/lower (2013: US$4.3 million lower/higher), arising mainly from foreign exchange gains/losses taken to the profit and loss account on translation. The sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. There are no other significant monetary balances held by Group entities at 31st December 2014 that are denominated in a non-functional currency other than the cross currency swap contracts with contract amounts of US$2,376.2 million (2013: US$1,411.1 million). Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

Since the Group manages the interdependencies between foreign exchange risk and interest rate risk of foreign currency borrowings using cross-currency swaps, the sensitivity analysis on financial impacts arising from cross-currency swaps is included in the sensitivity assessment on interest rates under the interest rate risk section.

2 Significant Accounting Policies (continued)

2.31 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk (continued)

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of interest rate swaps, caps and collars. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40% - 60% of its gross borrowings, exclusive of the financial services companies, in fixed rate instruments. The financial services companies borrow predominantly at a fixed rate. The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in Note 24.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by using forward rate agreements to a maturity of one year, and by entering into interest rate swaps, caps and collars for a maturity of up to five years. Forward rate agreements and interest rate swaps have the economic effect of converting borrowings from floating rate to fixed rate, caps provide protection against a rise in floating rates above a pre-determined rate, and collars combine the purchase of a cap and the sale of a floor to specify a range in which an interest rate will fluctuate.

Fair value interest rate risk is the risk that the value of a financial asset or liability and derivative financial instrument will fluctuate because of changes in market interest rates. The Group may manage its fair value interest rate risk by entering into interest rate swaps which have the economic effect of converting borrowings from fixed rate to floating rate.

At 31st December 2014, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US$10.5 million (2013: US$9.0 million) higher/lower and the hedging reserve would have been US$29.6 million (2013: US$15.0 million) higher/lower as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. There is no significant variation in the sensitivity analysis as a result of interest rate caps and collars. The 100 basis point increase or decrease represents management's assessment of a reasonable possible change in those interest rates, specifically the Indonesian rates, which have the most impact on the Group over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in fair value of the hedged items caused by interest rate movements balance out in the profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in market interest rates of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

Price risk

The Group is exposed to securities price risk because of quoted and unquoted investments which are available-for-sale and held by the Group at fair value. Gains and losses arising from changes in the fair value of these investments are recognised in other comprehensive income and accumulated under equity in the fair value reserve. The performance of the Group's quoted and unquoted available-for-sale investments are monitored regularly, together with a regular assessment of their relevance to the Group's long-term strategic plans. Details of the Group's available-for-sale investments are contained in Note 17.

2 Significant Accounting Policies (continued)

2.31 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk (continued)

Price risk (continued)

Available-for-sale investments are unhedged. At 31st December 2014, if the price of quoted and unquoted available-for-sale investments had been 30% higher/lower with all other variables held constant, total equity would have been US$159.9 million (2013: US$130.8 million) higher/lower. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

The Group is exposed to financial risks arising from changes in commodity prices, primarily crude palm oil and coal. The Group considers the outlook for crude palm oil and coal regularly in considering the need for active financial risk management. The Group's policy is generally not to hedge commodity price risk, although limited hedging may be undertaken for strategic reasons. To mitigate or hedge the price risk, Group companies may enter into a forward contract to buy the commodity at a fixed price at a future date, or a forward contract to sell the commodity at a fixed price at a future date.

b) Credit risk

The Group's credit risk is primarily attributable to deposits with banks, credit exposures to customers and derivative financial instruments with a positive fair value. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. At 31st December 2014, deposits with banks and financial institutions amounted to US$1,764.9 million (2013: US$1,593.1 million) of which 13% (2013: 13%) were made to financial institutions with credit ratings of no less than A– (Fitch). This is because in Indonesia, it may be necessary to deposit money with banks that have a lower credit rating. However, the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

In respect of credit exposures to customers, the Group has policies in place to ensure that sales on credit without collateral are made principally to corporate companies with an appropriate credit history and credit insurance is purchased for businesses where it is economically effective. The Group normally obtains collateral over motor vehicles and motorcycles from consumer financing debtors towards settlement of receivables. Customers give the right to the Group to sell the repossessed collateral or take any other action to settle the outstanding receivable. Sales to other customers are made in cash or by major credit cards.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. The Group's exposure to credit risk arising from consumer financing and trade debtors, and derivative financial instruments with a positive fair value are set out in Note 20. The Group's exposure to credit risk arising from deposits and balances with banks and financial institutions is set out in Note 21.

2 Significant Accounting Policies (continued)

2.31 Financial Risk Management (continued)

i) Financial risk factors (continued)

c) Liquidity risk

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources, maintaining sufficient cash and marketable securities, and ensuring the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group's ability to fund its existing and prospective debt requirements is managed by maintaining diversified funding sources with adequate committed funding lines of evenly spread debt maturities from high quality lenders, and by monitoring rolling short-term forecasts of the Group's cash and gross debt on the basis of expected cash flows. In addition, long-term cash flows are projected to assist with the Group's long-term debt financing plans.

At 31st December 2014, total available committed and uncommitted borrowing facilities amounted to US$9,263.6 million (2013: US$9,372.2 million) of which US$5,697.1 million (2013: US$5,373.1 million) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totaled US$1,971.0 million (2013: US$2,698.7 million).

The following table analyses the Group's non-derivative financial liabilities, derivative financial liabilities and estimated losses on insurance contracts into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within one year US$m	Between one and two years US$m	Between two and three years US$m	Between three and four years US$m	Between four and five years US$m	Beyond five years US$m	Total US$m
2014							
Borrowings	**3,255.5**	**1,624.2**	**1,132.9**	**74.4**	**-**	**-**	**6,087.0**
Finance lease liabilities	**38.2**	**28.1**	**17.1**	**4.1**	**0.4**	**-**	**87.9**
Creditors	**2,337.8**	**3.4**	**2.5**	**4.5**	**6.0**	**50.5**	**2,404.7**
Net settled derivative financial instruments	**0.9**	**-**	**-**	**-**	**-**	**-**	**0.9**
Gross settled derivative financial instruments							
- inflow	**1,491.9**	**759.2**	**413.9**	**25.9**	**-**	**-**	**2,690.9**
- outflow	**1,496.1**	**762.5**	**416.0**	**25.9**	**-**	**-**	**2,700.5**
Estimated losses on insurance contracts	**136.2**	**-**	**-**	**-**	**-**	**-**	**136.2**
2013							
Borrowings	3,310.6	1,301.2	784.1	308.8	1.2	-	5,705.9
Finance lease liabilities	45.4	36.9	26.4	16.3	3.5	-	128.5
Creditors	2,231.2	5.0	5.6	7.5	9.0	38.5	2,296.8
Net settled derivative financial instruments	1.2	0.2	-	-	-	-	1.4
Gross settled derivative financial instruments							
- inflow	1,243.0	384.4	117.7	-	-	-	1,745.1
- outflow	1,111.7	321.0	104.7	-	-	-	1,537.4
Estimated losses on insurance contracts	104.2	-	-	-	-	-	104.2

2 Significant Accounting Policies (continued)

2.31 Financial Risk Management (continued)

ii) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while seeking to maximise benefits to shareholders and other stakeholders. Capital is total equity as shown in the consolidated balance sheet plus net debt.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditure and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, purchase Group shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances and other liquid funds. Interest cover is calculated as underlying operating profit and share of results of associates and joint ventures divided by net financing charges. The relevant ratios are monitored both inclusive and exclusive of the Group's financial services companies, which by their nature are generally more leveraged than the Group's other businesses. The Group does not have a defined gearing or interest cover benchmark or range.

The financing activities of Astra are subject to a minimum paid-up capital requirement of Rp500 billion (2013: Rp500 billion), in aggregate. The insurance activities of Astra are subject to a minimum solvency ratio of 120% calculated in accordance with requirements set out by the Ministry of Finance in Indonesia, and a minimum paid-up capital requirement of Rp100 billion (2013: Rp100 billion), in aggregate. The Group had complied with all externally imposed capital requirements throughout the reporting period.

The gearing ratios at 31st December 2014 and 2013 were as follows:

	Group	
	2014	2013
Gearing ratio excluding financial services companies	**2%**	3%
Gearing ratio including financial services companies	**36%**	38%
Interest cover excluding financial services companies	**44 times**	48 times

The decrease in gearing ratio excluding financial services companies as at 31st December 2014 as compared to 2013 was primarily due to strong operating cash flows.

iii) Fair value estimation

a) Financial instruments that are measured at fair value

For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities ("quoted prices in active markets")

The fair value of quoted securities, which are classified as available-for-sale, is based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ("observable current market transactions")

The fair value of derivative financial instruments is determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps and caps, cross-currency swaps and forward foreign exchange contracts are calculated by reference to the market interest rates and foreign exchange rates.

2 **Significant Accounting Policies (continued)**

2.31 **Financial Risk Management (continued)**

a) Financial instruments that are measured at fair value

iii) Fair value estimation (continued)

Inputs for the asset or liability that are not based on observable market data ("unobservable inputs")

The fair value of unlisted securities, which are classified as available-for-sale, is determined using valuation techniques by reference to observable current market transactions or the market prices of the underlying investments with certain degree of entity-specific estimates. There were no changes in valuation techniques during the year.

The table below analyses financial instruments carried at fair value, by the levels in the fair value measurement hierarchy.

	Quoted prices in active markets US$m	Observable current market transactions US$m	Unobservable inputs US$m	Total US$m
2014				
Assets				
Available-for-sale financial assets				
- listed securities	**501.3**	**-**	**-**	**501.3**
- unlisted investments	**-**	**-**	**41.5**	**41.5**
	501.3	**-**	**41.5**	**542.8**
Derivatives designated at fair value				
- through other comprehensive income	**-**	**159.7**	**-**	**159.7**
	501.3	**159.7**	**41.5**	**702.5**
Liabilities				
Contingent consideration payable	**-**	**-**	**(66.9)**	**(66.9)**
Derivatives designated at fair value				
- through other comprehensive income	**-**	**(11.6)**	**-**	**(11.6)**
- through profit and loss	**-**	**(0.1)**	**-**	**(0.1)**
	-	**(11.7)**	**-**	**(11.7)**
	-	**(11.7)**	**(66.9)**	**(78.6)**
2013				
Assets				
Available-for-sale financial assets				
- listed securities	404.6	-	-	404.6
- unlisted investments	-	-	41.7	41.7
	404.6	-	41.7	446.3
Derivatives designated at fair value				
- through other comprehensive income	-	277.6	-	277.6
	404.6	277.6	41.7	723.9
Liabilities				
Contingent consideration payable	-	-	(65.6)	(65.6)
Derivatives designated at fair value				
- through other comprehensive income	-	(1.6)	-	(1.6)
- through profit and loss	-	(0.2)	-	(0.2)
	-	(1.8)	-	(1.8)
	-	(1.8)	(65.6)	(67.4)

2 Significant Accounting Policies (continued)

2.31 Financial Risk Management (continued)

iii) Fair value estimation (continued)

b) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances and other liquid funds, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings disclosed are based on market prices or are estimated using the expected future payments discounted at market interest rates.

The table below analyses financial instruments by category.

	Loans and receivables US$m	Derivatives used for hedging US$m	Available-for-sale US$m	Other financial instruments at amortised cost US$m	Other financial instruments fair value through profit and loss US$m	Total carrying amount US$m	Fair value US$m
2014							
Assets							
Investments	**-**	**-**	**542.8**	**-**	**-**	**542.8**	**542.8**
Debtors excluding prepayments, rental and other deposits	**6,963.7**	**159.7**	**-**	**-**	**-**	**7,123.4**	**7,053.0**
Bank balances and other liquid funds	**1,772.0**	**-**	**-**	**-**	**-**	**1,772.0**	**1,772.0**
	8,735.7	**159.7**	**542.8**	**-**	**-**	**9,438.2**	**9,367.8**
Liabilities							
Borrowings excluding finance lease liabilities	**-**	**-**	**-**	**(5,612.7)**	**-**	**(5,612.7)**	**(5,608.7)**
Finance lease liabilities	**-**	**-**	**-**	**(84.4)**	**-**	**(84.4)**	**(84.4)**
Creditors excluding non-financial liabilities	**-**	**(11.7)**	**-**	**(2,337.8)**	**(66.9)**	**(2,416.4)**	**(2,416.4)**
	-	**(11.7)**	**-**	**(8,034.9)**	**(66.9)**	**(8,113.5)**	**(8,109.5)**
2013							
Assets							
Investments	-	-	446.3	-	-	446.3	446.3
Debtors excluding prepayments, rental and other deposits	6,400.6	277.6	-	-	-	6,678.2	6,273.7
Bank balances and other liquid funds	1,601.1	-	-	-	-	1,601.1	1,601.1
	8,001.7	277.6	446.3	-	-	8,725.6	8,321.1
Liabilities							
Borrowings excluding finance lease liabilities	-	-	-	(5,250.6)	-	(5,250.6)	(5,254.1)
Finance lease liabilities	-	-	-	(122.5)	-	(122.5)	(122.5)
Creditors excluding non-financial liabilities	-	(1.8)	-	(2,231.2)	(65.6)	(2,298.6)	(2,298.6)
	-	(1.8)	-	(7,604.3)	(65.6)	(7,671.7)	(7,675.2)

2 Significant Accounting Policies (continued)

2.32 Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

i) Acquisition of subsidiaries, associates and joint ventures

The initial accounting on the acquisition of subsidiaries, associates and joint ventures involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. The fair values of franchise rights, leasehold land use rights, concession rights, property, plant and equipment and investment properties are determined by independent, professionally qualified valuers by reference to comparable market prices or present value of expected net cash flows from the assets. Any changes in the assumptions used and estimates made in determining the fair values, and management's ability to measure reliably the contingent liabilities of the acquired entity will impact the carrying amount of these assets and liabilities.

On initial acquisition or acquisition of further interests in an entity, an assessment of the level of control or influence exercised by the Group is required. For entities where the Group has a shareholding of less than 50%, an assessment of the Group's level of voting rights, board representation and other indicators of influence is performed to consider whether the Group has de facto control, requiring consolidation of that entity, or significant influence, requiring classification as an associate.

ii) Property, plant and equipment

Management determines the estimated useful lives and related depreciation charges for the Group's mining properties and other property, plant and equipment. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

iii) Plantations

The fair values of plantations are determined by management based on the expected cash flows from the plantations.

Management applies judgement in determining the assumptions to be used; the significant ones include a historical average crude palm oil price as the basis for deriving the price of fresh fruit bunches, maintenance costs, inflation, the yield per hectare based on industry standards and historical experience and the discount rate.

iv) Impairment of assets

The Group tests annually whether goodwill and other non-financial assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of fair value less costs to sell or value-in-use calculations prepared on the basis of management's assumptions and estimates. Changing the key assumptions, including the amount of estimated coal reserves, discount rates or growth rates in the cash flow projections, could materially affect the value-in-use calculations.

The results of the impairment review undertaken at 31st December 2014 on the Group's indefinite life franchise rights indicated that no impairment charge was necessary. If there is a significant increase in the discount rate and/or a significant adverse change to the projected performance of the business to which these rights attach, it may be necessary to take an impairment charge to the profit and loss account in the future.

In determining when an available-for-sale equity investment is impaired, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

2 Significant Accounting Policies (continued)

2.32 Critical Accounting Estimates and Judgements (continued)

v) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes, particularly in Indonesia. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax follows the way management expects to recover or settle the carrying amount of the related assets or liabilities, which management may expect to recover through use, sale or combination of both. Accordingly, deferred tax will be calculated at income tax rate, capital gains tax rate or combination of both. There is a rebuttable presumption in IFRS that investment properties measured at fair value are recovered by sale. Thus, deferred tax on revaluation of investment properties held by the Group are calculated at the capital gains tax rate.

Recognition of deferred tax assets, which principally relate to tax losses, depends on management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

vi) Pension obligations

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

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liabilities.

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

vii) Non-trading items

The Group uses underlying business performance in its internal financial reporting to distinguish between the underlying profits and non-trading items. The identification of non-trading items requires judgement by management, but follows the consistent methodology as set out in the Group's accounting policies.

3 Revenue

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Sale of goods	**13,673.2**	14,599.6	-	-
Rendering of services	**3,937.1**	4,125.2	**2.2**	1.2
Financial services	**1,045.9**	1,044.8	**-**	-
Dividends	**-**	-	**415.1**	506.9
Others	**19.2**	18.2	**-**	-
	18,675.4	19,787.8	**417.3**	508.1

4 Net Operating Costs

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Cost of sales and services rendered	**(15,216.1)**	(16,278.9)	**-**	-
Other operating income	**343.5**	382.3	**0.6**	0.4
Selling and distribution expenses	**(830.4)**	(852.9)	**-**	-
Administrative expenses	**(907.8)**	(877.0)	**(19.6)**	(17.1)
Other operating expenses	**(286.6)**	(98.3)	**-**	-
	(16,897.4)	(17,724.8)	**(19.0)**	(16.7)
The following credits/(charges) are included in net operating costs:				
Depreciation of property, plant and equipment (Note 12)	**(582.7)**	(652.5)	**(0.8)**	(0.5)
Amortisation of:				
- intangible assets (Note 10)	**(64.1)**	(52.6)	**-**	-
- leasehold land use rights (Note 11)	**(30.6)**	(28.2)	**-**	-
Profit/(loss) on disposal of:				
- leasehold land use rights	**0.5**	0.7	**-**	-
- property, plant and equipment	**22.7**	10.5	**0.1**	-
- investment properties	**-**	0.5	**-**	-
- plantations	**(4.3)**	(0.9)	**-**	-
- shares in subsidiaries (Note 36)	**-**	55.3	**-**	-
- shares in associates and joint ventures	**2.2**	-	**-**	-
- investments	**19.7**	10.8	**-**	-
Loss on disposal/write-down of repossessed assets	**(52.1)**	(56.4)	**-**	-
(Impairment)/write-back in impairment of:				
- property, plant and equipment (Note 12)	**(230.9)**	(1.1)	**-**	-
- financing debtors (Note 19)	**(105.7)**	(101.5)	**-**	-
- trade debtors (Note 20)	**(22.2)**	(9.4)	**-**	-
- other debtors (Note 20)	**(0.7)**	(0.5)	**-**	-
Fair value gain/(loss) on:				
- plantations (Note 14)	**(34.1)**	(14.9)	**-**	-
- investment properties (Note 13)	**35.6**	19.5	**-**	-
- derivatives not qualifying as hedges	**0.1**	0.1	**-**	-
Stocks:				
- cost of stocks recognised as an expense (included in cost of sales and services rendered)	**(12,654.3)**	(13,533.5)	**-**	-
- write-down of stocks	**(38.8)**	(28.3)	**-**	-
- reversal of write-down of stocks made in previous years	**18.3**	10.7	**-**	-
Provision for:				
- warranty and goodwill expenses (Note 23)	**(9.2)**	(7.3)	**-**	-
- others (Note 23)	**(15.3)**	(13.2)	**-**	-
Operating expenses arising from investment properties	**(0.7)**	(0.3)	**-**	-

4 Net Operating Costs (Continued)

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Auditors' remuneration for:				
- audit services	**(5.8)**	(6.5)	**(1.0)**	(1.0)
- non-audit services	**(1.3)**	(2.0)	**(0.1)**	-
Net exchange gain/(loss)	**(9.8)**	(21.9)	**0.2**	-
Rental expenses – operating leases	**(67.5)**	(84.1)	**(0.8)**	(0.8)
Rental income from:				
- investment properties	**1.7**	1.7	**-**	-
- other properties	**2.1**	2.3	**-**	-
Dividend income from investments	**4.8**	7.3	**-**	-
Interest income from investments	**28.2**	31.8	**-**	-

5 Employee Benefits

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Salaries and benefits in kind	**1,224.5**	1,230.7	**9.4**	6.6
Pension costs - defined contribution plans	**10.9**	9.8	**0.2**	0.2
Pension costs - defined benefit plans (Note 26)	**36.7**	33.8	**-**	-
Termination benefits	**4.4**	2.3	**-**	-
	1,276.5	1,276.6	**9.6**	6.8

6 Net Financing Charges

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Interest expense on:				
- bank borrowings	**(61.0)**	(75.8)	**(0.7)**	(0.5)
- other borrowings	**(10.8)**	(15.8)	**-**	-
	(71.8)	(91.6)	**(0.7)**	(0.5)
Interest capitalised	**8.0**	3.0	**-**	-
Other finance costs	**(53.2)**	(18.1)	**(0.1)**	(0.5)
Financing charges	**(117.0)**	(106.7)	**(0.8)**	(1.0)
Financing income	**102.0**	78.4	**-**	0.1
	(15.0)	(28.3)	**(0.8)**	(0.9)

7 **Tax**

Tax expense attributable to profit is made up of:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Current tax:				
- Singapore	**12.8**	8.7	**0.1**	0.1
- Foreign	**559.4**	596.0	**37.1**	42.4
	572.2	604.7	**37.2**	42.5
Deferred tax (Note 25)	**(93.5)**	(69.1)	**-**	-
	478.7	535.6	**37.2**	42.5
Adjustments in respect of prior years	**0.1**	-	**-**	-
	478.8	535.6	**37.2**	42.5

The following sets out the differences between the tax expense on the Group's and the Company's profit before tax and the theoretical amount that would arise using the domestic tax rates applicable to profits of the respective companies.

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Profit before tax	**2,339.2**	2,624.8	**397.5**	490.5
Less: Share of associates' and joint ventures' results after tax	**(576.2)**	(590.1)	**-**	-
	1,763.0	2,034.7	**397.5**	490.5
Tax calculated at domestic tax rates applicable to profits in the respective countries	**418.8**	440.3	**41.9**	53.9
Income not subject to tax	**(29.9)**	(25.7)	**(8.1)**	(14.4)
Expenses not deductible for tax purposes	**39.1**	65.8	**3.4**	3.0
Utilisation of previously unrecognised tax losses	**(1.3)**	(0.9)	**-**	-
Deferred tax assets written off	**0.5**	1.8	**-**	-
Deferred tax liabilities written back	**-**	(0.1)	**-**	-
Tax losses arising in the year not recognised	**14.0**	16.0	**-**	-
Temporary differences arising in the year not recognised	**0.1**	-	**-**	-
Recognition of previously unrecognised tax losses	**-**	(3.5)	**-**	-
Withholding tax	**37.7**	42.4	**-**	-
Adjustments in respect of prior years	**0.1**	-	**-**	-
Others	**(0.3)**	(0.5)	**-**	-
	478.8	535.6	**37.2**	42.5

The effective tax rates for the Group and Company were 27% (2013: 26%) and 9% (2013: 9%), respectively.

Tax relating to components of other comprehensive income is analysed as follows:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Cash flow hedges	**7.5**	(5.7)	**-**	-
Defined benefit pension plans	**1.0**	(3.4)	**-**	-
	8.5	(9.1)	**-**	-

8 Dividends

At the Annual General Meeting on 29th April 2015, a final one-tier tax exempt dividend in respect of 2014 of US¢67.00 per share amounting to a dividend of approximately US$238.3 million is to be 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 ending 31st December 2015. The dividends paid in 2014 and 2013 were as follows:

	Group and Company	
	2014 US$m	2013 US$m
Final one-tier tax exempt dividend in respect of previous year of US¢90.00 per share (2013: in respect of 2012 of US¢105.00)	**315.4**	370.9
Interim one-tier tax exempt dividend in respect of current year of US¢18.00 per share (2013: US¢18.00)	**64.2**	64.2
	379.6	435.1

9 Earnings Per Share

	Group	
	2014 US$m	2013 US$m
Basic earnings per share		
Profit attributable to shareholders	**820.2**	915.0
Weighted average number of ordinary shares in issue (millions)	**355.7**	355.7
Basic earnings per share	**US¢230.59**	US¢257.24
Diluted earnings per share	**US¢230.59**	US¢257.24
Underlying earnings per share		
Underlying profit attributable to shareholders	**792.8**	894.1
Basic underlying earnings per share	**US¢222.88**	US¢251.36
Diluted underlying earnings per share	**US¢222.88**	US¢251.36

9 Earnings Per Share (Continued)

A reconciliation of profit attributable to shareholders and underlying profit attributable to shareholders is as follows:

	Group	
	2014 US$m	2013 US$m
Profit attributable to shareholders	**820.2**	915.0
Less:		
Non-trading items (net of tax and non-controlling interests)		
Gain on loss of control in a subsidiary	**-**	22.7
Impairment of investment in a joint venture	**-**	(11.8)
Negative goodwill on acquisition of business	**18.6**	-
Fair value changes of:		
- investment properties	**18.3**	9.8
- plantations	**(9.2)**	(3.9)
Net gain on disposal of subsidiaries and joint venture	**1.2**	4.1
Loss on dilution of interest in an associate	**(1.5)**	-
	27.4	20.9
Underlying profit attributable to shareholders	**792.8**	894.1

10 Intangible Assets

	Goodwill US$m	Franchise rights US$m	Concession rights US$m	Customer acquisition costs US$m	Deferred exploration costs US$m	Computer software & others US$m	Total US$m
Group							
2014							
Balance at 1st January	**191.1**	**175.0**	**339.4**	**53.9**	**51.9**	**24.3**	**835.6**
Translation adjustments	**(3.9)**	**(3.6)**	**(10.4)**	**(1.7)**	**(1.9)**	**0.2**	**(21.3)**
Additions	**-**	**-**	**85.3**	**63.4**	**18.3**	**5.1**	**172.1**
Amortisation (Note 4)	**-**	**-**	**(6.4)**	**(50.3)**	**(1.6)**	**(5.8)**	**(64.1)**
Balance at 31st December	**187.2**	**171.4**	**407.9**	**65.3**	**66.7**	**23.8**	**922.3**
Cost	**190.0**	**171.4**	**431.4**	**113.4**	**71.0**	**43.0**	**1,020.2**
Amortisation and impairment	**(2.8)**	**-**	**(23.5)**	**(48.1)**	**(4.3)**	**(19.2)**	**(97.9)**
	187.2	**171.4**	**407.9**	**65.3**	**66.7**	**23.8**	**922.3**
2013							
Balance at 1st January	226.3	220.3	366.7	56.3	43.2	13.8	926.6
Translation adjustments	(48.6)	(45.3)	(83.3)	(13.0)	(2.6)	(4.8)	(197.6)
Additions	13.4	-	60.9	51.9	12.4	4.1	142.7
Additions arising from acquisition of subsidiaries (Note 36)	-	-	-	-	-	16.5	16.5
Amortisation (Note 4)	-	-	(4.9)	(41.3)	(1.1)	(5.3)	(52.6)
Balance at 31st December	191.1	175.0	339.4	53.9	51.9	24.3	835.6
Cost	194.0	175.0	357.2	89.6	54.6	38.5	908.9
Amortisation and impairment	(2.9)	-	(17.8)	(35.7)	(2.7)	(14.2)	(73.3)
	191.1	175.0	339.4	53.9	51.9	24.3	835.6

Goodwill relating to Astra represents goodwill arising from acquisition of shares in Astra which is regarded as an operating segment. Accordingly, for the purpose of impairment review, the carrying value of Astra is compared with the recoverable amount measured by reference to the quoted market price of the shares held. On the basis of this review and the continued expected level of profitability, management concluded that no impairment has occurred.

10 **Intangible Assets (continued)**

The carrying amounts of franchise rights comprise mainly Astra's automotive of US$61.4 million (2013: US$62.6 million) and heavy equipment of US$108.5 million (2013: US$110.8 million). Management has performed an impairment review of the carrying amounts of franchise rights at 31st December 2014 and concluded that no impairment has occurred. The impairment review of franchise rights was made by comparing the carrying amounts of the cash-generating units in which the franchise rights reside with the recoverable amounts of the cash-generating units. The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimates stated below:

	2014	2013
Growth rates	**3% - 4%**	3% - 4%
Pre-tax discount rates	**15% - 16%**	14% - 17%

The growth rates do not exceed the long-term average growth rates of the industries. The pre-tax discount rates reflect business specific risks relating to the relevant industries.

The remaining amortisation lives for intangible assets are as follows:

Concession rights	30 to 33 years
Customer acquisition costs	1 to 4 years
Computer software and others	1 to 7 years
Deferred exploration costs	31.0 million tonnes (based on unit of production method)

11 **Leasehold Land Use Rights**

	Group	
	2014 US$m	2013 US$m
Net book value at 1st January	**502.0**	534.2
Translation adjustments	**(16.4)**	(118.3)
Additions	**170.9**	89.4
Additions arising from acquisition of subsidiaries (Note 36)	**2.5**	41.8
Disposals	**-**	(4.6)
Disposals arising from disposal of subsidiaries (Note 36)	**-**	(9.0)
Transfers from/(to) investment properties (Note 13)	**(24.7)**	(11.4)
Amortisation (Note 4)	**(30.6)**	(28.2)
Surplus on revaluation before transfer to investment properties	**14.6**	8.1
Net book value at 31st December	**618.3**	502.0
Cost	**772.8**	631.7
Amortisation and impairment	**(154.5)**	(129.7)
	618.3	502.0

Leasehold land use rights at 31st December 2014 with a net book value of US$4.8 million (2013: US$5.2 million) have been pledged as security for borrowings (Note 24).

The remaining amortisation periods for leasehold land use rights are 1 to 85 years.

12 Property, Plant and Equipment

	Freehold land US$m	Buildings and leasehold improvements US$m	Mining properties US$m	Plant & machinery US$m	Office furniture, fixtures & equipment US$m	Transportation equipment & motor vehicles US$m	Total US$m
Group							
2014							
Net book value at 1st January	**36.5**	**872.6**	**986.8**	**1,270.0**	**98.9**	**481.8**	**3,746.6**
Translation adjustments	**(1.6)**	**(24.7)**	**0.6**	**(22.2)**	**(2.6)**	**(10.7)**	**(61.2)**
Additions	**-**	**217.4**	**-**	**284.3**	**60.8**	**173.5**	**736.0**
Additions arising from acquisition of subsidiaries (Note 36)	**-**	**1.4**	**-**	**-**	**-**	**0.1**	**1.5**
Transfer from investment properties (Note 13)	**-**	**0.2**	**-**	**-**	**-**	**-**	**0.2**
Transfer to stocks	**-**	**-**	**-**	**(2.6)**	**(0.2)**	**(44.3)**	**(47.1)**
Disposals	**-**	**(1.2)**	**-**	**(5.0)**	**(5.0)**	**(3.1)**	**(14.3)**
Depreciation (Note 4)	**-**	**(73.4)**	**(21.0)**	**(334.8)**	**(44.3)**	**(109.2)**	**(582.7)**
Impairment (Note 4)	**-**	**-**	**(230.9)**	**-**	**-**	**-**	**(230.9)**
Net book value at 31st December	**34.9**	**992.3**	**735.5**	**1,189.7**	**107.6**	**488.1**	**3,548.1**
Cost	**34.9**	**1,373.0**	**1,076.0**	**2,803.3**	**297.6**	**716.9**	**6,301.7**
Accumulated depreciation	**-**	**(380.7)**	**(340.5)**	**(1,613.6)**	**(190.0)**	**(228.8)**	**(2,753.6)**
	34.9	**992.3**	**735.5**	**1,189.7**	**107.6**	**488.1**	**3,548.1**
2013							
Net book value at 1st January	38.1	858.6	1,098.7	1,570.8	113.9	626.0	4,306.1
Translation adjustments	(1.6)	(187.9)	(104.3)	(321.8)	(24.0)	(125.3)	(764.9)
Additions	-	242.6	17.3	384.8	58.9	166.2	869.8
Additions arising from acquisition of subsidiaries (Note 36)	-	35.1	-	33.7	0.5	1.1	70.4
Transfer to investment properties (Note 13)	-	(1.6)	-	-	-	-	(1.6)
Transfer to stocks	-	-	-	(3.5)	(0.4)	(62.2)	(66.1)
Disposals	-	(1.3)	-	(2.7)	(5.5)	(4.5)	(14.0)
Depreciation (Note 4)	-	(73.4)	(24.9)	(390.2)	(44.5)	(119.5)	(652.5)
Impairment (Note 4)	-	-	-	(1.1)	-	-	(1.1)
Surplus on revaluation before transfer to investment properties	-	0.5	-	-	-	-	0.5
Net book value at 31st December	36.5	872.6	986.8	1,270.0	98.9	481.8	3,746.6
Cost	36.5	1,194.4	1,087.2	2,706.0	256.4	684.5	5,965.0
Accumulated depreciation	-	(321.8)	(100.4)	(1,436.0)	(157.5)	(202.7)	(2,218.4)
	36.5	872.6	986.8	1,270.0	98.9	481.8	3,746.6

12 Property, Plant and Equipment (continued)

Property, plant and equipment at 31st December 2014 with a net book value of US$98.2 million (2013: US$138.2 million) have been pledged as security for borrowings (Note 24).

Included in the additions are plant and machinery acquired under finance leases amounting to US$2.5 million (2013: US$28.7 million).

The carrying amount of plant and machinery and motor vehicles held under finance leases at 31st December 2014 amounted to US$64.2 million and US$2.8 million (2013: US$91.8 million and US$0.9 million), respectively.

In 2014, as a result of the decline in coal prices as well as the subdued outlook, management has performed an impairment review of the carrying amount of the mining properties, and concluded that an impairment has occurred. An impairment loss of US$230.9 million had been included in net operating costs, under the operating segment of Astra.

The impairment review was performed by comparing the carrying amount of the cash-generating units of the mining properties with the recoverable amount. The cash-generating unit is determined based on the location of the mining properties and the extent that they share infrastructure. The recoverable amount of US$695.6 million, net of deferred tax, is determined based on its fair value less costs to sell, using a discounted cash flow method with unobservable inputs. Major assumptions used in the valuation are:

Coal price per tonne	US$65 - US$90
Post-tax discount rate	12.5%

The periods used in the cash flow forecasts are based on the depletion of reserves or the expiration of the concession period, whichever is earlier. Cash flows beyond five years are extrapolated using an estimated growth rate of 2.2%. The growth rate does not exceed the long-term average growth rate for the business in which the cash-generating units operate.

	Freehold land US$m	Buildings and leasehold improvements US$m	Office furniture, fixtures & equipment US$m	Motor vehicles US$m	Total US$m
Company					
2014					
Net book value at 1st January	**29.1**	**6.3**	**0.4**	**1.7**	**37.5**
Translation adjustments	**(1.2)**	**(0.3)**	**-**	**(0.2)**	**(1.7)**
Additions	**-**	**-**	**-**	**0.8**	**0.8**
Disposals	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Depreciation (Note 4)	**-**	**(0.3)**	**(0.1)**	**(0.4)**	**(0.8)**
Net book value at 31st December	**27.9**	**5.7**	**0.3**	**1.8**	**35.7**
Cost	**27.9**	**6.7**	**0.9**	**2.5**	**38.0**
Accumulated depreciation	**-**	**(1.0)**	**(0.6)**	**(0.7)**	**(2.3)**
	27.9	**5.7**	**0.3**	**1.8**	**35.7**
2013					
Net book value at 1st January	30.1	2.8	-	0.8	33.7
Translation adjustments	(1.0)	(0.1)	-	-	(1.1)
Additions	-	3.8	0.4	1.3	5.5
Disposals	-	-	-	(0.1)	(0.1)
Depreciation (Note 4)	-	(0.2)	-	(0.3)	(0.5)
Net book value at 31st December	29.1	6.3	0.4	1.7	37.5
Cost	29.1	7.0	1.0	2.4	39.5
Accumulated depreciation	-	(0.7)	(0.6)	(0.7)	(2.0)
	29.1	6.3	0.4	1.7	37.5

13 Investment Properties

	Group	
	2014 US$m	2013 US$m
Completed commercial properties:		
Balance at 1st January	**73.2**	67.6
Translation adjustments	**(3.9)**	(17.1)
Fair value gain (Note 4)	**30.9**	19.5
Additions	**0.2**	1.8
Disposals	**-**	(0.6)
Disposals arising from disposal of subsidiaries (Note 36)	**-**	(11.6)
Transfer from commercial properties under development	**-**	0.6
Transfer from/(to) leasehold land use rights and property, plant and equipment (Notes 11 and 12)	**24.5**	13.0
Balance at 31st December	**124.9**	73.2
Commercial properties under development:		
Balance at 1st January	**39.4**	-
Translation adjustments	**(2.7)**	(6.0)
Fair value gain (Note 4)	**4.7**	-
Additions	**37.4**	46.0
Transfer to completed commercial properties	**-**	(0.6)
Balance at 31st December	**78.8**	39.4
Total	**203.7**	112.6

The valuations of the investment properties were conducted by independent, professionally qualified valuers, based on the open market value. Fair values of these properties are generally derived based on the direct comparison method, using observable inputs. This valuation method is based on comparing the property to be valued directly with other comparable properties. However, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

The Group's policy is to recognise transfers between fair value measurements as of the date of the event or change in circumstances that caused the transfer.

The Group's investment properties have not been pledged as security for borrowings at 31st December 2013 and 2014.

14 Plantations

	Group	
	2014 US$m	2013 US$m
Movements during the year are as follows:		
Balance at 1st January	**856.2**	1,025.7
Translation adjustments	**(20.5)**	(218.5)
Additions	**86.1**	69.2
Additions arising from acquisition of subsidiaries (Note 36)	**27.0**	-
Disposals	**(7.1)**	(5.3)
Fair value loss (Note 4)	**(34.1)**	(14.9)
Balance at 31st December	**907.6**	856.2
Immature plantations	**166.2**	105.0
Mature plantations	**741.4**	751.2
	907.6	856.2
Planted area (hectares):		
Immature plantations	**35,904**	33,147
Mature plantations	**192,795**	187,382
	228,699	220,529

The Group's plantations are primarily used for the production of palm oil. The plantations were valued internally at their fair values less point of sale costs, based on a discounted cash flow method using unobservable inputs. The major unobservable inputs used in the valuation are:

	2014	2013
Crude palm oil price per tonne	**US$941**	US$909
Effective annual price inflation (for the first five years)	**7%***	9%*
Effective annual cost inflation (for the first five years)	**7%***	7%*
Post-tax discount rate	**14%**	14%

* 0% inflation thereafter

The higher the crude palm oil price per tonne and the higher the effective annual price inflation, the higher the fair value. The higher the effective annual cost inflation and the higher the post-tax discount rate, the lower the fair value.

Changes in unrealised loss for the year for plantations held at the end of the year amounted to US$34.1 million (2013: US$14.9 million) and have been included in profit or loss in the line "Other operating expenses". During the year, the Group harvested 4.1 million (2013: 3.7 million) tonnes of produce from the plantations with a fair value at the point of harvest less point of sale costs of US$625.6 million (2013: US$481.8 million).

The Group's plantations have not been pledged as security for borrowings at 31st December 2013 and 2014.

15 Interests In Subsidiaries

	Company	
	2014 US$m	2013 US$m
At cost:		
- quoted equity securities (market value: 2014: US$12,142.1 million; 2013: US$11,362.5 million)	**1,302.3**	1,358.7
- unquoted equity securities	**40.5**	42.3
	1,342.8	1,401.0
Less: Impairment	**(3.1)**	(3.2)
	1,339.7	1,397.8

A list of principal subsidiaries is set out in Note 41.

16 Interests in Associates and Joint Ventures

The amounts recognised in the balance sheet are as follows:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
At cost:				
- quoted equity securities (Group market value: 2014: US$759.6 million; 2013: US$598.1 million)	**472.2**	428.1	**43.3**	45.2
- unquoted equity securities	**513.9**	489.7	**149.5**	153.6
	986.1	917.8	**192.8**	198.8
Post-acquisition reserves	**1,706.9**	1,513.9	**-**	-
	2,693.0	2,431.7	**192.8**	198.8
Less: Impairment	**(68.6)**	(68.6)	**(68.7)**	(71.7)
	2,624.4	2,363.1	**124.1**	127.1
Associates	**539.4**	494.5	**75.1**	78.3
Joint ventures	**2,085.0**	1,868.6	**49.0**	48.8
	2,624.4	2,363.1	**124.1**	127.1

The market value of quoted equity securities is based on their quoted prices, some of which may not be reflective of their fair values. In determining whether these investments are impaired, management has also considered recent arm's length transactions of a similar nature.

16 Interests in Associates and Joint Ventures (continued)

Movements of the Group's associates and joint ventures during the year are as follows:

	Associates		Joint ventures	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Balance at 1st January	**494.5**	490.0	**1,868.6**	2,032.9
Translation differences	**(10.9)**	(98.0)	**(48.6)**	(449.0)
Share of results after tax and non-controlling interests	**139.5**	136.7	**399.7**	453.4
Share of other comprehensive income after tax and non-controlling interests	**0.2**	(0.4)	**-**	6.2
Dividends received	**(86.5)**	(43.3)	**(267.5)**	(280.4)
Acquisitions and increases in attributable interests	**2.6**	9.5	**133.3**	96.4
Disposals and decreases in attributable interests	**-**	-	**(0.2)**	-
Other	**-**	-	**(0.3)**	9.1
	539.4	494.5	**2,085.0**	1,868.6

In 2014, the share of results of associates and joint ventures amounting to US$576.2 million included an amount of US$37.0 million for the excess of net fair values of the identifiable assets, liabilities and contingent liabilities of a joint venture acquired over cost of business combinations.

(a) Investment in associates

The material associate of the Group is PT Astra Daihatsu Motor, of which 32% of its share capital, consisting solely of ordinary shares, is held by the Group's subsidiary, Astra. PT Astra Daihatsu Motor is principally involved in the manufacturing and distribution of Daihatsu motor vehicles in Indonesia.

Set out below is the summarised financial information for PT Astra Daihatsu Motor.

Summarised balance sheet at 31st December:

	2014 US$m	2013 US$m
Non-current assets	**630.0**	609.9
Current assets		
Cash and cash equivalents	**478.5**	474.7
Other current assets	**335.5**	407.2
Total current assets	**814.0**	881.9
Non-current liabilities		
Financial liabilities	**-**	-
Other non-current liabilities	**(41.8)**	(41.0)
Total non-current liabilities	**(41.8)**	(41.0)
Current liabilities		
Financial liabilities (excluding trade and other payables)	**(0.1)**	(1.1)
Other current liabilities (including trade and other payables)	**(431.6)**	(525.4)
Total current liabilities	**(431.7)**	(526.5)
Net assets	**970.5**	924.3

16 Interests in Associates and Joint Ventures (continued)

(a) Investment in associates (continued)

Summarised statement of comprehensive income for the year ended 31st December:

	2014 US$m	2013 US$m
Revenue	**4,011.6**	4,559.9
Depreciation and amortisation	**(98.7)**	(109.9)
Financing income	**47.2**	32.9
Tax	**(89.0)**	(120.0)
Profit after tax	**291.0**	339.2
Translation difference	**(21.7)**	(218.9)
Other comprehensive income/(expense)	**0.4**	(0.3)
Total comprehensive income	**269.7**	120.0
Dividends received from associate	**71.2**	32.4

The information above reflects the amounts presented in the financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates, and fair value of the associates at the time of acquisition. There are no contingent liabilities relating to the Group's interest in the material associate.

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material associate is set out below.

	2014 US$m	2013 US$m
Net assets	**970.5**	924.3
Interest in associate (%)	**32%**	32%
Group's share of net assets in associate	**309.3**	294.6
Goodwill	**-**	-
Carrying value	**309.3**	294.6

The Group has interests in a number of individually immaterial associates. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these associates.

	2014 US$m	2013 US$m
Share of profit	**46.7**	28.6
Translation difference	**(4.0)**	(28.3)
Share of other comprehensive income/(expense)	**0.1**	(0.3)
Share of total comprehensive income	**42.8**	-
Carrying amount of interests in these associates	**230.1**	199.9

(b) Investment in joint ventures

The material joint ventures of the Group are PT Astra Honda Motor and PT Bank Permata Tbk. These joint ventures have share capital consisting solely of ordinary shares, which are held by the Group's subsidiary, Astra. Astra has a 50% interest in PT Astra Honda Motor and a 45% interest in PT Bank Permata Tbk. PT Astra Honda Motor is principally involved in the manufacturing and distribution of Honda motorcycles in Indonesia, while PT Bank Permata Tbk is a commercial bank with operations in Indonesia.

16 Interests in Associates and Joint Ventures (continued)

(b) Investment in joint ventures (continued)

As at 31st December 2014, the fair value of the Group's interest in PT Bank Permata Tbk, which is listed on the Indonesian Stock Exchange, was US$640.6 million (2013: US$491.8 million) and the carrying amount of the Group's interest was US$690.2 million (2013: US$595.9 million).

Set out below is the summarised financial information for the Group's material joint ventures.

Summarised balance sheet at 31st December:

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2014			
Non-current assets	**1,384.9**	**5,453.2**	**6,838.1**
Current assets			
Cash and cash equivalents	**302.5**	**1,476.2**	**1,778.7**
Other current assets	**444.0**	**8,058.8**	**8,502.8**
Total current assets	**746.5**	**9,535.0**	**10,281.5**
Non-current liabilities			
Financial liabilities	**-**	**(677.7)**	**(677.7)**
Other non-current liabilities	**(246.7)**	**(96.1)**	**(342.8)**
Total non-current liabilities	**(246.7)**	**(773.8)**	**(1,020.5)**
Current liabilities			
Financial liabilities (excluding trade and other payables)	**-**	**(58.3)**	**(58.3)**
Other current liabilities (including trade and other payables)	**(655.2)**	**(12,696.1)**	**(13,351.3)**
Total current liabilities	**(655.2)**	**(12,754.4)**	**(13,409.6)**
Net assets	**1,229.5**	**1,460.0**	**2,689.5**
2013			
Non-current assets	1,198.8	4,932.4	6,131.2
Current assets			
Cash and cash equivalents	376.0	1,692.1	2,068.1
Other current assets	396.6	7,071.3	7,467.9
Total current assets	772.6	8,763.4	9,536.0
Non-current liabilities			
Financial liabilities	-	(687.7)	(687.7)
Other non-current liabilities	(247.3)	(85.9)	(333.2)
Total non-current liabilities	(247.3)	(773.6)	(1,020.9)
Current liabilities			
Financial liabilities (excluding trade payables)	-	(25.5)	(25.5)
Other current liabilities (including trade payables)	(588.3)	(11,650.1)	(12,238.4)
Total current liabilities	(588.3)	(11,675.6)	(12,263.9)
Net assets	1,135.8	1,246.6	2,382.4

16 Interests in Associates and Joint Ventures (continued)

(b) Investment in joint ventures (continued)

Summarised statement of comprehensive income for the year ended 31st December:

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2014			
Revenue	**4,972.7**	**1,426.3**	**6,399.0**
Depreciation and amortisation	**(88.6)**	**(19.8)**	**(108.4)**
Financing income	**35.8**	**-**	**35.8**
Tax	**(131.2)**	**(38.7)**	**(169.9)**
Profit after tax	**409.3**	**133.4**	**542.7**
Translation difference	**(28.4)**	**(36.3)**	**(64.7)**
Other comprehensive income/(expense)	**(1.1)**	**5.1**	**4.0**
Total comprehensive income	**379.8**	**102.2**	**482.0**
Dividends received from joint ventures	**143.1**	**6.5**	**149.6**
2013			
Revenue	4,947.0	1,249.0	6,196.0
Depreciation and amortisation	(90.0)	(18.2)	(108.2)
Financing income	28.2	-	28.2
Tax	(145.0)	(54.0)	(199.0)
Profit after tax	455.6	161.6	617.2
Translation difference	(281.8)	(310.6)	(592.4)
Other comprehensive income/(expense)	0.1	(8.4)	(8.3)
Total comprehensive income	173.9	(157.4)	16.5
Dividends received from joint ventures	151.9	-	151.9

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for fair value adjustments made at time of acquisition and differences in accounting policies between the Group and the joint ventures. There are no contingent liabilities relating to the Group's interest in the material joint ventures.

16 Interests in Associates and Joint Ventures (continued)

(b) Investment in joint ventures (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material joint ventures is set out below.

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2014			
Net assets	**1,229.5**	**1,460.0**	**2,689.5**
Interest in joint ventures (%)	**50%**	**45%**	
Group's share of net assets in joint ventures	**614.7**	**650.6**	**1,265.3**
Goodwill	**-**	**39.6**	**39.6**
Carrying value	**614.7**	**690.2**	**1,304.9**
2013			
Net assets	1,135.8	1,246.6	2,382.4
Interest in joint ventures (%)	50%	45%	
Group's share of net assets in joint ventures	567.9	555.5	1,123.4
Goodwill	-	40.4	40.4
Carrying value	567.9	595.9	1,163.8

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these joint ventures.

	2014 US$m	2013 US$m
Share of profit	**135.6**	153.6
Translation difference	**(17.4)**	(159.2)
Share of other comprehensive income/(expense)	**(1.7)**	9.9
Share of total comprehensive income	**116.5**	4.3
Carrying amount of interests in these joint ventures	**780.1**	704.7

A list of the Group's principal associates and joint ventures is set out in Note 41.

17 **Investments**

The Group's investments consist of available-for-sale financial assets.

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Available-for-sale				
- quoted investments	**501.3**	404.6	**-**	-
- unquoted investments	**41.5**	41.7	**8.9**	7.7
	542.8	446.3	**8.9**	7.7
Non-current	**525.0**	428.8	**8.9**	7.7
Current	**17.8**	17.5	**-**	-
	542.8	446.3	**8.9**	7.7
Analysis by geographical area of operation:				
Indonesia	**449.4**	353.2	**-**	-
Singapore	**8.9**	7.7	**8.9**	7.7
Others	**84.5**	85.4	**-**	-
	542.8	446.3	**8.9**	7.7
Movements during the year are as follows:				
Balance at 1st January	**446.3**	543.3	**7.7**	6.6
Translation adjustments	**(16.4)**	(89.4)	**(0.4)**	(0.2)
Fair value changes	**25.4**	(12.0)	**1.6**	1.3
Additions	**186.8**	119.1	**-**	-
Disposals	**(80.0)**	(92.0)	**-**	-
Disposals arising from disposal of subsidiaries (Note 36)	**-**	(4.3)	**-**	-
Capital repayment	**(17.7)**	(16.5)	**-**	-
Unwinding of discount/premium	**(1.6)**	(1.9)	**-**	-
Balance at 31st December	**542.8**	446.3	**8.9**	7.7

The fair value measurements of available-for-sale financial assets are determined on the following bases:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Quoted prices in active markets	**501.3**	404.6	**-**	-
Other valuation techniques using unobservable inputs	**41.5**	41.7	**8.9**	7.7
	542.8	446.3	**8.9**	7.7

17 Investments (continued)

Movements of available-for-sale financial assets which are valued based on other valuation techniques are as follows:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Balance at 1st January	**41.7**	45.6	**7.7**	6.6
Translation adjustments	**(1.9)**	(5.2)	**(0.4)**	(0.2)
Fair value changes	**1.6**	1.3	**1.6**	1.3
Additions	**0.1**	-	**-**	-
Balance at 31st December	**41.5**	41.7	**8.9**	7.7

Included in the available-for-sale unquoted investments is a 49% shareholding in Mercedes-Benz Malaysia Sdn Bhd ("MBM") held through the Group's subsidiary, Cycle & Carriage Bintang Berhad which entitles it to receive an annual dividend when declared. MBM is not considered an associate of the Group as the Group holds its interest through MBM's Class B shares which do not carry any voting rights nor any right to share in the equity interest.

Profit on disposal of available-for-sale financial assets during 2014 amounted to US$19.7 million (2013: US$10.8 million) and was credited to profit and loss.

No held-to-maturity investments were held at 31 December 2014 and 2013.

18 Stocks

	Group	
	2014 US$m	2013 US$m
Finished goods	**1,252.6**	1,091.1
Work in progress	**45.8**	40.1
Raw materials	**51.7**	57.5
Spare parts	**82.0**	70.9
Others	**106.0**	86.8
	1,538.1	1,346.4

Stocks amounting to US$1.6 million at 31st December 2014 (2013: US$1.6 million) have been pledged as security for borrowings (Note 24).

19 Financing Debtors

	Group	
	2014 US$m	2013 US$m
Consumer financing debtors	**4,401.1**	3,915.2
Less: Allowance for impairment	**(202.2)**	(183.0)
	4,198.9	3,732.2
Financing leases		
- gross investment	**805.0**	889.3
- unearned finance income	**(95.1)**	(102.0)
- net investment	**709.9**	787.3
Less: Allowance for impairment	**(29.0)**	(33.6)
	680.9	753.7
	4,879.8	4,485.9
Non-current	**2,444.4**	2,121.9
Current	**2,435.4**	2,364.0
	4,879.8	4,485.9

The maturity analysis of consumer financing debtors is as follows:

Including related finance income

	2014 US$m	2013 US$m
Within one year	**2,916.7**	2,654.2
Between one and two years	**1,649.5**	1,387.2
Between two and five years	**1,051.7**	852.6
	5,617.9	4,894.0

Excluding related finance income

	2014 US$m	2013 US$m
Within one year	**2,152.2**	2,026.6
Between one and two years	**1,315.4**	1,122.0
Between two and five years	**933.5**	766.6
	4,401.1	3,915.2

19 Financing Debtors (continued)

The maturity analysis of investment in financing leases is as follows:

	Gross investment		Net investment	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Within one year	**457.7**	513.9	**394.8**	444.1
Between one and two years	**246.4**	272.9	**221.2**	247.0
Between two and five years	**100.9**	102.5	**93.9**	96.2
	805.0	889.3	**709.9**	787.3

The consumer financing debtors relate primarily to Astra's motor vehicle and motorcycle financing. Before accepting any new customer, the Group assesses the potential customer's credit quality and sets credit limits by customer using internal scoring systems. These limits and scoring are reviewed periodically. The Group obtains collateral in the form of motor vehicles and motorcycles from consumer financing debtors who give the Group the right to sell the repossessed collateral or take any other action to settle the outstanding debt.

The loan period ranges from 6 to 60 months for motor vehicles and motorcycles. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the debtor is impaired. An allowance for impairment is made based on the estimated irrecoverable amount by reference to past default experience. The Group has the right to repossess the assets whenever its customers default on their instalment obligations. It usually exercises its right if monthly instalments are overdue for 30 days for motor vehicles and 60 days for motorcycles. Management has considered the balances against which collective impairment provision is made as impaired.

At 31st December 2014, consumer financing debtors of US$42.1 million (2013: US$31.2 million) and financing leases of US$56.1 million (2013: US$132.7 million) were impaired. The impaired amounts were covered by allowances of impairment of these debtors which are assessed collectively.

19 Financing Debtors (continued)

At 31st December 2014, consumer financing debtors of US$378.6 million (2013: US$315.8 million) and financing leases of US$148.1 million (2013: US$181.7 million) were past due but not impaired. The ageing analysis of these debtors is as follows:

	Consumer financing debtors		Financing leases	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Below 30 days	**307.0**	264.9	**122.9**	174.2
Between 31 and 60 days	**61.2**	44.4	**17.0**	7.5
Between 61 and 90 days	**10.4**	6.5	**3.3**	-
More than 90 days	**-**	-	**4.9**	-
	378.6	315.8	**148.1**	181.7

The fair value of the financing debtors is US$4,823.2 million (2013: US$4,081.6 million). The fair value of financing debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates of 9% to 33% per annum (2013: 9% to 32% per annum). The higher the rates, the lower the fair value.

Financing debtors are due within five years (2013: Five years) from the balance sheet date and the interest rates range from 6% to 33% per annum (2013: 12% to 32% per annum).

Financing debtors amounting to US$2,444.3 million at 31st December 2014 (2013: US$2,172.2 million) have been pledged as security for borrowings (Note 24).

Movements in the allowance for impairment of financing debtors are as follows:

	2014 US$m	2013 US$m
Balance at 1st January	**216.6**	255.6
Translation adjustments	**(3.8)**	(53.3)
Allowance made during the year (Note 4)	**105.7**	101.5
Utilised during the year	**(87.3)**	(87.2)
Balance at 31st December	**231.2**	216.6

20 Debtors

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Financing debtors (Note 19)	**4,879.8**	4,485.9	**-**	-
Trade debtors				
Amounts owing by third parties	**1,737.8**	1,619.9	**-**	-
Less: Allowance for impairment	**(37.5)**	(21.0)	**-**	-
	1,700.3	1,598.9	**-**	-
Amounts owing by associates and joint ventures	**73.1**	71.2	**-**	-
	1,773.4	1,670.1	**-**	-
Other debtors				
Repossessed assets	**19.1**	14.0	**-**	-
Restricted bank balances and deposits	**50.5**	7.5	**-**	-
Loans to employees	**36.2**	32.4	**0.3**	0.2
Interest receivable	**4.5**	4.5	**-**	-
Amounts owing by associates and joint ventures	**85.6**	72.7	**-**	-
Amounts owing by subsidiaries	**-**	-	**71.3**	65.8
Less: Allowance for impairment	**-**	-	**(21.8)**	(22.7)
	-	-	**49.5**	43.1
Sundry debtors	**115.7**	114.1	**-**	0.2
Less: Allowance for impairment	**(1.1)**	(0.6)	**-**	-
	114.6	113.5	**-**	0.2
Financial assets excluding derivatives	**6,963.7**	6,400.6	**49.8**	43.5
Cross-currency swap contracts (Note 33)	**159.6**	276.5	**-**	-
Interest rate swap contracts (Note 33)	**0.1**	0.1	**-**	-
Forward foreign exchange contracts (Note 33)	**-**	1.0	**-**	-
	159.7	277.6	**-**	-
Financial assets	**7,123.4**	6,678.2	**49.8**	43.5
Reinsurers' share of estimated losses (Note 34)	**66.5**	43.8	**-**	-
Deposits	**126.7**	106.8	**0.1**	0.1
Prepayments	**245.3**	194.7	**0.4**	0.5
Others	**41.6**	77.6	**-**	-
	7,603.5	7,101.1	**50.3**	44.1
Non-current	**2,898.6**	2,625.5	**-**	-
Current	**4,704.9**	4,475.6	**50.3**	44.1
	7,603.5	7,101.1	**50.3**	44.1
Analysis by geographical area of operation:				
Indonesia	**7,529.8**	7,032.5	**-**	-
Singapore	**55.5**	42.6	**50.3**	44.1
Others	**18.2**	26.0	**-**	-
	7,603.5	7,101.1	**50.3**	44.1

20 Debtors (continued)

The average credit period on sale of goods and services varies among Group businesses, but is not more than 60 days. Before accepting any new customer, the individual Group business assesses the potential customer's credit quality and sets credit limits by customer using internal credit scoring systems. These limits and scoring are reviewed periodically. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

At 31st December 2014, trade and other debtors of the Group and the Company of US$68.2 million (2013: US$102.8 million) and US$21.8 million (2013: US$22.7 million), respectively, were impaired. The amount of the allowances for the Group and the Company was US$38.6 million (2013: US$21.6 million) and US$21.8 million (2013: US$22.7 million), respectively. It was assessed that a portion of the debtors is expected to be recovered. The ageing analysis of these debtors is as follows:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Below 30 days	**2.6**	1.9	**-**	-
Between 31 and 60 days	**2.3**	0.4	**-**	-
Between 61 and 90 days	**5.7**	0.9	**-**	-
Over 90 days	**57.6**	99.6	**21.8**	22.7
	68.2	102.8	**21.8**	22.7

At 31st December 2014, trade and other debtors of the Group of US$686.6 million (2013: US$612.7 million) were past due but not impaired. The ageing analysis of these debtors is as follows:

	Group	
	2014 US$m	2013 US$m
Below 30 days	**373.3**	336.8
Between 31 and 60 days	**122.9**	121.6
Between 61 and 90 days	**65.0**	57.5
Over 90 days	**125.4**	96.8
	686.6	612.7

The risk of debtors that are neither past due nor impaired as at 31st December 2014 becoming impaired is low as they have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Movements in the allowance for impairment of trade debtors are as follows:

	Group	
	2014 US$m	2013 US$m
Balance at 1st January	**21.0**	17.1
Translation adjustments	**(1.2)**	(4.2)
Additions arising from acquisition of subsidiaries	**-**	0.3
Allowance made during the year (Note 4)	**22.2**	9.4
Utilised during the year	**(4.5)**	(1.6)
Balance at 31st December	**37.5**	21.0

20 Debtors (continued)

Movements in the allowance for impairment of other debtors are as follows:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Balance at 1st January	**0.6**	0.4	**22.7**	23.5
Translation adjustments	**(0.1)**	(0.1)	**(0.9)**	(0.8)
Allowance made during the year (Note 4)	**0.7**	0.5	**-**	-
Utilised during the year	**(0.1)**	(0.2)	**-**	-
Balance at 31st December	**1.1**	0.6	**21.8**	22.7

The fair value of the non-current debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates of 6% to 16% per annum (2013: 6% to 15% per annum). The higher the rates, the lower the fair value. The fair value of the repossessed assets held amounted to US$19.1 million (2013: US$14.0 million).

Trade and other debtors of the Group amounting to US$6.9 million at 31st December 2014 (2013: US$6.4 million) have been pledged as security for borrowings (Note 24).

The amounts owing by subsidiaries, associates and joint ventures are interest free except for amounts owing by associates and joint ventures amounting to US$73.4 million (2013: US$61.4 million) which bear weighted average interest rate of 9.8% (2013: 9.4%) per annum.

Included in the sundry debtors is an amount of US$3.0 million (2013: US$6.6 million) for the 3-year convertible bonds held by a subsidiary. The bonds pay a coupon rate of 6% per annum, are unsecured and mature in December 2015.

21 Bank Balances and Other Liquid Funds

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Bank and cash balances	**1,054.6**	653.8	**2.6**	11.5
Deposits with banks and financial institutions	**717.4**	947.3	**-**	-
	1,772.0	1,601.1	**2.6**	11.5
Analysis by currency:				
Singapore Dollar	**62.4**	45.0	**1.2**	10.2
United States Dollar	**688.2**	428.3	**1.3**	1.1
Malaysian Ringgit	**10.4**	7.0	**-**	0.1
Japanese Yen	**4.8**	6.6	**-**	-
Indonesian Rupiah	**990.4**	1,089.7	**0.1**	0.1
Euro	**1.9**	22.2	**-**	-
Vietnam Dong	**13.3**	-	**-**	
Others	**0.6**	2.3	**-**	-
	1,772.0	1,601.1	**2.6**	11.5

The weighted average effective interest rate on interest bearing deposits at 31st December 2014 was 4.2% (2013: 6.3%) per annum.

22 Creditors

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Trade creditors				
Amounts owing to third parties	**1,355.8**	1,245.9	**-**	-
Amounts owing to associates and joint ventures	**225.1**	221.5	**-**	-
	1,580.9	1,467.4	**-**	-
Other creditors				
Accruals	**497.8**	533.9	**10.3**	9.4
Interest payable	**35.0**	36.3	**0.1**	-
Amounts owing to associates and joint ventures	**3.7**	5.1	**-**	-
Amounts owing to subsidiaries	**-**	-	**9.8**	10.3
Contingent consideration on acquisition of subsidiaries	**66.9**	65.6	**-**	-
Sundry creditors	**220.4**	188.5	**-**	-
Financial liabilities excluding derivatives	**2,404.7**	2,296.8	**20.2**	19.7
Cross-currency swap contracts (Note 33)	**8.4**	0.4	**-**	-
Interest rate swap contracts (Note 33)	**0.5**	1.1	**-**	-
Forward foreign exchange contracts (Note 33)	**2.8**	0.3	**-**	-
	11.7	1.8	**-**	-
Financial liabilities	**2,416.4**	2,298.6	**20.2**	19.7
Insurance contracts – gross estimated losses (Note 34)	**136.2**	104.2	**-**	-
Net amount due to customers for contract work	**0.2**	0.2	**-**	-
Rental and other income received in advance	**182.5**	168.0	**-**	-
Deferred warranty income	**1.5**	3.1	**-**	-
Insurance contracts – unearned premiums (Note 34)	**342.4**	328.0	**-**	-
Others	**184.7**	199.2	**-**	-
	3,263.9	3,101.3	**20.2**	19.7
Non-current	**280.0**	261.5	**-**	-
Current	**2,983.9**	2,839.8	**20.2**	19.7
	3,263.9	3,101.3	**20.2**	19.7
Analysis by geographical area of operation:				
Indonesia	**3,059.5**	2,953.4	**-**	-
Singapore	**170.2**	122.7	**20.2**	19.7
Malaysia	**34.2**	25.2	**-**	-
	3,263.9	3,101.3	**20.2**	19.7

The advances from subsidiaries, associates, joint ventures and related companies are unsecured, interest free and repayable on demand. The fair value of creditors approximates their carrying amounts.

23 Provisions

	Warranty and Goodwill expenses US$m	Closure costs US$m	Statutory employee entitlements US$m	Others US$m	Total US$m
Group					
2014					
Balance at 1st January	**32.0**	**-**	**88.0**	**9.5**	**129.5**
Translation adjustments	**(1.3)**	**-**	**(2.2)**	**(0.5)**	**(4.0)**
Provision made during the year (Note 4)	**9.2**	**0.6**	**8.4**	**6.3**	**24.5**
Utilised during the year	**(4.4)**	**-**	**(0.7)**	**-**	**(5.1)**
Balance at 31st December	**35.5**	**0.6**	**93.5**	**15.3**	**144.9**
Non-current	**-**	**0.6**	**73.8**	**14.8**	**89.2**
Current	**35.5**	**-**	**19.7**	**0.5**	**55.7**
	35.5	**0.6**	**93.5**	**15.3**	**144.9**
2013					
Balance at 1st January	29.2	0.4	101.6	7.6	138.8
Translation adjustments	(1.1)	-	(22.1)	(2.1)	(25.3)
Additions arising from acquisition of subsidiaries (Note 36)	-	-	0.1	-	0.1
Provision made during the year (Note 4)	7.3	(0.4)	8.7	4.9	20.5
Utilised during the year	(3.4)	-	(0.3)	(0.9)	(4.6)
Balance at 31st December	32.0	-	88.0	9.5	129.5
Non-current	-	-	75.7	9.5	85.2
Current	32.0	-	12.3	-	44.3
	32.0	-	88.0	9.5	129.5

24 Borrowings

	Group	
	2014 US$m	2013 US$m
Current borrowings		
Bank loans	**896.9**	1,126.5
Bank overdrafts	**13.9**	0.1
Other loans	**4.5**	7.5
Current portion of long-term borrowings:		
- Bank loans	**1,420.1**	1,185.6
- Astra Sedaya Finance XI Bonds	**-**	22.1
- Astra Sedaya Finance XII Bonds	**46.6**	60.7
- Astra Sedaya Finance Berkelanjutan I Tahap I Bonds	**155.6**	-
- Astra Sedaya Finance Berkelanjutan I Tahap II Bonds	**-**	76.7
- Astra Sedaya Finance Berkelanjutan I Tahap III Bonds	**-**	28.6
- Astra Sedaya Finance Berkelanjutan II Tahap I Bonds	**7.7**	53.1
- Astra Sedaya Finance Berkelanjutan II Tahap II Bonds	**-**	44.5
- Astra Sedaya Finance Berkelanjutan II Tahap III Bonds	**91.1**	-
- Astra Sedaya Finance Berkelanjutan II Tahap IV Bonds	**78.9**	-
- Federal International Finance X Bonds	**-**	41.0
- Federal International Finance XI Bonds	**-**	153.2
- Federal International Finance Berkelanjutan I Tahap I Bonds	**130.6**	108.8
- Federal International Finance Berkelanjutan I Tahap II Bonds	**-**	58.2
- Federal International Finance Berkelanjutan I Tahap III Bonds	**58.2**	-
- Shogun Bonds FIF	**-**	20.0
- SAN Finance I Bonds	**-**	23.8
- SAN Finance II Bonds	**64.7**	11.5
- SAN Finance Berkelanjutan I Tahap I Bonds	**-**	9.0
- Serasi Auto Raya II Bonds	**37.8**	-
- Serasi Auto Raya III Bonds	**11.1**	27.0
- MTN Surya Artha Nusantara Finance II Tahun 2012	**-**	16.4
- Finance lease liabilities	**36.2**	42.6
- Others	**18.6**	31.3
	3,072.5	3,148.2

24 Borrowings (continued)

	Group	
	2014 US$m	2013 US$m
Long-term borrowings		
Bank loans	**1,571.9**	1,035.7
Astra Sedaya Finance XII Bonds	**-**	47.5
Astra Sedaya Finance Berkerlanjutan I Tahap I Bonds	**180.6**	343.2
Astra Sedaya Finance Berkerlanjutan I Tahap III Bonds	**90.0**	91.7
Astra Sedaya Finance Berkerlanjutan II Tahap I Bonds	**69.5**	77.8
Astra Sedaya Finance Berkerlanjutan II Tahap II Bonds	**98.3**	100.3
Astra Sedaya Finance Berkerlanjutan II Tahap III Bonds	**62.0**	-
Astra Sedaya Finance Berkerlanjutan II Tahap IV Bonds	**114.7**	-
Astra Sedaya Finance Singapore Dollars Guaranteed Bonds	**74.4**	-
Federal International Finance Berkelanjutan I Tahap I Bonds	**-**	133.9
Federal International Finance Berkelanjutan I Tahap II Bonds	**135.7**	138.3
Federal International Finance Berkelanjutan I Tahap III Bonds	**59.7**	-
SAN Finance II Bonds	**-**	66.0
SAN Finance Berkelanjutan I Tahap I Bonds	**28.8**	27.6
SAN Finance Berkelanjutan I Tahap II Bonds	**76.8**	-
Serasi Auto Raya II Bonds	**-**	37.9
Serasi Auto Raya III Bonds	**11.5**	23.7
Finance lease liabilities	**48.2**	79.9
Others	**2.5**	21.4
	2,624.6	2,224.9
Total borrowings	**5,697.1**	5,373.1
Secured	**4,182.5**	3,674.6
Unsecured	**1,514.6**	1,698.5
	5,697.1	5,373.1

At 31st December 2014, the Company has unsecured bank loans of US$49.2 million (2013: US$31.6 million) in current borrowings.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at 31st December, after taking into account hedging transactions are as follows:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Within one year	**3,307.2**	3,312.8	**49.2**	31.6
Between one and two years	**1,320.2**	1,156.5	**-**	-
Between two and three years	**1,000.6**	668.6	**-**	-
Between three and four years	**69.1**	234.2	**-**	-
Between four and five years	**-**	1.0	**-**	-
	5,697.1	5,373.1	**49.2**	31.6

24 Borrowings (continued)

The minimum lease payments under the finance lease liabilities were payable as follows:

	Group	
	2014 US$m	2013 US$m
Finance lease liabilities – minimum lease payments:		
- within one year	**38.2**	45.4
- between one and five years	**49.7**	83.1
	87.9	128.5
Future finance charges on finance leases	**(3.5)**	(6.0)
Present value of finance lease liabilities	**84.4**	122.5
The present value of finance lease liabilities is as follows:		
- within one year	**36.2**	42.6
- between one and five years	**48.2**	79.9
	84.4	122.5

After taking into account hedging transactions, the weighted average interest rates and period of fixed rate borrowings of the Group and Company are as follows:

	Fixed rate borrowings			Floating rate borrowings	Total
Currency	Weighted average interest rates %	Weighted average period outstanding Months	US$m	US$m	US$m
Group					
2014					
Singapore Dollar	**1.14**	**-**	**-**	**64.4**	**64.4**
United States Dollar	**2.26**	**17**	**257.0**	**473.2**	**730.2**
Indonesian Rupiah	**9.12**	**18**	**4,218.4**	**684.1**	**4,902.5**
			4,475.4	**1,221.7**	**5,697.1**
2013					
Singapore Dollar	1.02	-	-	52.9	52.9
United States Dollar	2.51	19	348.9	422.4	771.3
Japanese Yen	1.58	-	-	5.0	5.0
Indonesian Rupiah	7.60	16	3,632.3	884.9	4,517.2
Malaysian Ringgit	3.44	-	-	26.7	26.7
			3,981.2	1,391.9	5,373.1
Company					
2014					
Singapore Dollar	**1.12**	**-**	**-**	**49.2**	**49.2**
2013					
Singapore Dollar	1.10	-	-	31.6	31.6

24 Borrowings (continued)

The fair values of current borrowings approximate their carrying amounts, as the impact of discounting is not significant. The fair values of the non-current borrowings at the end of the year are as follows:

	Group	
	2014 US$m	2013 US$m
Bank loans	**1,579.8**	1,043.0
Bonds and others	**1,040.8**	1,185.4
	2,620.6	2,228.4

The fair values are based on market prices, or are estimated using unobservable inputs which are based on the expected future payments discounted at market interest rates ranging from 7.75% to 11.5% per annum (2013: 2.2% to 11.75% per annum). The higher the rates, the lower the fair value.

At 31st December 2014, bank loans and bonds amounting to US$4,182.5 million (2013: US$3,674.6 million) have been collateralised by debtors, stocks, financing debtors, property, plant and equipment and leasehold land use rights.

	Maturity	Interest rates	Nominal values	
		%	US$m	Rp billion
Astra Sedaya Finance ("ASF") Bonds				
ASF XII Bonds	2015	10.0%	46.6	579.5
ASF Berkelanjutan I Tahap I Bonds	2015-2017	8.0%-8.6%	341.6	4,250.0
ASF Berkelanjutan I Tahap III Bonds	2016	7.75%	90.0	1,120.0
ASF Berkelanjutan II Tahap I Bonds	2015-2016	7.25%-7.75%	84.4	1,050.0
ASF Berkelanjutan II Tahap II Bonds	2016-2017	9.5%-9.75%	100.9	1,255.0
ASF Berkelanjutan II Tahap III Bonds	2015-2018	9.6%-10.6%	156.8	1,950.0
ASF Berkelanjutan II Tahap IV Bonds	2015-2017	9.6%-10.5%	201.0	2,500.0
ASF Singapore Dollars Guaranteed Bonds	2017	2.12%	75.7	942.2
			1,097.0	13,646.7

The ASF Bonds were issued by a partly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds.

	Maturity	Interest rates	Nominal values	
		%	US$m	Rp billion
Federal International Finance ("FIF") Bonds				
FIF Berkelanjutan I Tahap I Bonds	2015	7.65%	131.4	1,635.0
FIF Berkelanjutan I Tahap II Bonds	2016	7.75%	135.9	1,690.0
FIF Berkelanjutan I Tahap III Bonds	2015-2017	9.6%-10.5%	124.6	1,550.0
			391.9	4,875.0

The FIF Bonds were issued by a wholly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds.

24 Borrowings (continued)

	Maturity	Interest rates	Nominal values	
		%	US$m	Rp billion
Serasi Auto Raya Bonds				
Serasi Auto Raya II Bonds	2015	10.2%	37.8	470.0
Serasi Auto Raya III Bonds	2015-2016	8.3%-8.75%	23.2	289.0
			61.0	759.0

The Serasi Auto Raya Bonds were unsecured and issued by a wholly-owned subsidiary of Astra.

	Maturity	Interest rates	Nominal values	
		%	US$m	Rp billion
SAN Finance Bonds				
SAN Finance II Bonds	2015	8.4%	64.9	807.0
SAN Finance Berkelanjutan I Tahap I Bonds	2016	9.75%	31.4	391.0
SAN Finance Berkelanjutan I Tahap II Bonds	2017	10.5%	80.4	1,000.0
			176.7	2,198.0

The SAN Finance Bonds were issued by a partly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over net investment in finance leases of the subsidiary amounting to 60% of the total outstanding principal of the bonds.

25 Deferred Tax

	Accelerated tax depreciation US$m	Fair value (gains)/ losses US$m	Provisions US$m	Tax losses US$m	Others US$m	Total US$m
Group						
2014						
Balance at 1st January	**12.2**	**(472.1)**	**110.1**	**11.9**	**66.8**	**(271.1)**
Translation adjustments	**(0.8)**	**3.7**	**(2.5)**	**(0.5)**	**(0.9)**	**(1.0)**
Credited/(charged) to profit and loss account (Note 7)	**12.2**	**86.6**	**(1.0)**	**4.9**	**(9.2)**	**93.5**
Credited/(charged) to other comprehensive income (Note 7)	**-**	**7.5**	**-**	**-**	**1.0**	**8.5**
Balance at 31st December	**23.6**	**(374.3)**	**106.6**	**16.3**	**57.7**	**(170.1)**
2013						
Balance at 1st January	(8.3)	(550.1)	116.5	15.5	64.2	(362.2)
Translation adjustments	(1.5)	84.5	(24.5)	(3.2)	(21.2)	34.1
Credited/(charged) to profit and loss account (Note 7)	22.0	6.3	18.1	(3.8)	26.5	69.1
Credited/(charged) to other comprehensive income (Note 7)	-	(5.7)	-	-	(3.4)	(9.1)
Additions arising from acquisition of subsidiaries (Note 36)	-	(7.1)	-	3.4	-	(3.7)
Disposals arising from disposal of subsidiaries (Note 36)	-	-	-	-	0.7	0.7
Balance at 31st December	12.2	(472.1)	110.1	11.9	66.8	(271.1)

	Unremitted interest income	
	2014 US$m	2013 US$m
Company		
Balance at 1st January and 31st December	**(0.2)**	(0.2)

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Deferred tax assets	**231.6**	195.3	**-**	-
Deferred tax liabilities	**(401.7)**	(466.4)	**(0.2)**	(0.2)
Balance at 31st December	**(170.1)**	(271.1)	**(0.2)**	(0.2)

25 Deferred Tax (continued)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group did not recognise deferred income tax assets of US$34.1 million (2013: US$24.7 million) in respect of tax losses of US$136.5 million in 2014 (2013: US$98.9 million) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. These tax losses have expiry dates as follows:

	Group	
	2014 US$m	2013 US$m
No expiry date	**1.8**	1.9
Expiring in one year	**5.0**	2.1
Expiring in two years	**8.1**	7.8
Expiring in three years	**23.0**	6.1
Expiring in four years	**45.3**	29.7
Expiring beyond four years	**53.3**	51.3
	136.5	98.9

Deferred tax liabilities of US$417.9 million (2013: US$368.2 million) on temporary differences associated with investments in subsidiaries of US$4,178.9 million (2013: US$3,681.9 million) have not been recognised as there is no current intention of remitting the retained earnings to the Company in the foreseeable future.

26 Pension Liabilities

The Group, through Astra, has defined benefit pension plans covering its employees in Indonesia and are either funded or unfunded. The assets of the funded plans are held independently of the Group's assets in separate trustee administered funds. The pension liabilities are calculated annually by an independent actuary using the projected unit credit method.

The amounts recognised in the Group balance sheet are as follows:

	2014 US$m	2013 US$m
Fair value of plan assets	**74.5**	76.9
Present value of funded obligations	**(92.4)**	(94.0)
	(17.9)	(17.1)
Present value of unfunded obligations	**(192.4)**	(171.3)
Impact of minimum funding requirement/assets ceiling	**0.2**	0.4
Net pension liabilities	**(210.1)**	(188.0)

26 Pension Liabilities (continued)

The movement in the net pension liabilities is as follows:

	Fair value of plan assets US$m	Present value of obligations US$m	Total US$m	Impact of minimum funding requirement US$m	Total US$m
2014					
At 1st January	**76.9**	**(265.3)**	**(188.4)**	**0.4**	**(188.0)**
Translation differences	**(1.5)**	**6.4**	**4.9**	**-**	**4.9**
Current service cost	**-**	**(20.9)**	**(20.9)**	**-**	**(20.9)**
Interest income/(expense)	**5.5**	**(19.7)**	**(14.2)**	**-**	**(14.2)**
Past service cost and gains/(losses) on settlement	**-**	**(1.6)**	**(1.6)**	**-**	**(1.6)**
	5.5	**(42.2)**	**(36.7)**	**-**	**(36.7)**
Remeasurements					
- return on plan assets, excluding amounts included in interest income/(expense)	**2.2**	**-**	**2.2**	**-**	**2.2**
- change in financial assumptions	**-**	**13.2**	**13.2**	**-**	**13.2**
- experience gains/(losses)	**-**	**(18.6)**	**(18.6)**	**-**	**(18.6)**
- change in asset ceiling, excluding amounts included in interest expense	**-**	**-**	**-**	**(0.2)**	**(0.2)**
	2.2	**(5.4)**	**(3.2)**	**(0.2)**	**(3.4)**
Contributions from employers	**3.2**	**-**	**3.2**	**-**	**3.2**
Contribution from plan participants	**0.9**	**(0.9)**	**-**	**-**	**-**
Benefit payments	**(11.9)**	**22.5**	**10.6**	**-**	**10.6**
Transfer (to)/from plans	**(0.8)**	**0.1**	**(0.7)**	**-**	**(0.7)**
At 31st December	**74.5**	**(284.8)**	**(210.3)**	**0.2**	**(210.1)**
2013					
At 1st January	100.5	(319.2)	(218.7)	0.2	(218.5)
Translation differences	(20.3)	67.5	47.2	-	47.2
Additions arising from acquisition of subsidiaries (Note 36)	-	(4.8)	(4.8)	-	(4.8)
Current service cost	-	(30.4)	(30.4)	-	(30.4)
Interest income/(expense)	5.3	(18.3)	(13.0)	-	(13.0)
Past service cost and gains/(losses) on settlement	-	9.6	9.6	-	9.6
	5.3	(39.1)	(33.8)	-	(33.8)
Remeasurements					
- return on plan assets, excluding amounts included in interest income/(expense)	(2.5)	-	(2.5)	-	(2.5)
- change in financial assumptions	-	43.6	43.6	-	43.6
- experience gains/(losses)	-	(27.8)	(27.8)	-	(27.8)
- change in asset ceiling, excluding amounts included in interest expense	-	-	-	0.2	0.2
	(2.5)	15.8	13.3	0.2	13.5
Contributions from employers	0.4	-	0.4	-	0.4
Contribution from plan participants	1.1	(1.1)	-	-	-
Benefit payments	(8.1)	15.6	7.5	-	7.5
Transfer (to)/from plans	0.5	-	0.5	-	0.5
At 31st December	76.9	(265.3)	(188.4)	0.4	(188.0)

26 Pension Liabilities (continued)

The weighted average duration of the defined benefit obligation at 31st December 2014 is 15 years.

Expected maturity analysis of undiscounted pension benefits at 31st December is as follows:

	2014 US$m	2013 US$m
Less than a year	**25.3**	21.0
Between one and two years	**12.8**	24.9
Between two and five years	**82.6**	65.3
Beyond five years	**4,647.7**	3,371.8
	4,768.4	3,483.0

The principal actuarial assumptions used for accounting purposes at 31st December are as follows:

	2014 %	2013 %
Discount rate	**9**	8
Salary growth rate	**8**	8

As the employees in Indonesia usually take one-off lump sum amounts from the plans upon retirement, mortality is not a significant assumption for these plans.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	**Increase in assumption US$m**	**Decrease in assumption US$m**
Discount rate	1%	(32.1)	41.2
Salary growth rate	1%	37.5	(29.5)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognised within the balance sheet.

26 Pension Liabilities (continued)

The analysis of the fair value of plan assets at 31st December is as follows:

	2014 US$m	2013 US$m
Quoted investments		
Equity instruments	**30.9**	33.8
Debt instruments		
- government	**17.4**	19.7
- corporate bonds (investment grade)	**19.2**	20.7
Total investments	**67.5**	74.2
Cash and cash equivalents	**7.0**	2.7
	74.5	76.9

The defined benefit plans had total investments in Astra group of 30%, largely similar to 2013. All of Astra's investments are in quoted instruments, and the top three sectors of the quoted equity instruments were financials, properties and industrials with combined fair values of US$17.4 million (2013: US$22.0 million).

Through its defined benefit pension plans, the Group is expected to be exposed to a number of risks such as asset volatility and changes in bond yields, which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. The Group's defined benefit plans hold a significant proportion of equities, which are expected to outperform government and corporate bonds in the long-term while providing volatility and risk in the short-term.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that is developed to achieve long-term returns that are in line with the obligations under the pension schemes. Within this ALM framework, the Group's objective is to match assets to the pension obligations by investing in a well-diversified portfolio that generates sufficient risk-adjusted returns that match the benefit payments. The Group also actively monitors the duration and the expected yield of the investments to ensure it matches the expected cash outflows arising from the pension obligations.

Investments across the plans are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

The Group maintains an active and regular contribution schedule across all the plans. The contributions to all its plans in 2014 were US$4.2 million and the estimated amount of contributions expected to be paid to the plans in 2015 is US$3.4 million.

27 Share Capital of the Company

	2014 US$m	2013 US$m
Issued and fully paid:		
Opening and closing balance 355,712,660 ordinary shares	**632.6**	632.6

There is no par value for the ordinary shares. The Company did not hold any treasury shares as at 31st December 2014 (31st December 2013: Nil).

28 Revenue Reserve

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Movements:				
Balance at 1st January	**4,329.9**	3,786.7	**525.1**	512.2
Defined benefit pension plans				
- actuarial loss	**(1.1)**	4.9	**-**	-
- deferred tax	**0.3**	(1.2)	**-**	-
Share of associates' and joint ventures' actuarial loss on defined benefit pension plans, net of tax	**(0.1)**	(0.7)	-	-
Profit attributable to shareholders	**820.2**	915.0	**360.3**	448.0
Dividends paid by the Company	**(379.6)**	(435.1)	**(379.6)**	(435.1)
Change in shareholding	**44.2**	61.3	**-**	-
Other	**(0.1)**	(1.0)	**-**	-
Balance at 31st December	**4,813.7**	4,329.9	**505.8**	525.1

The Group's revenue reserve includes actuarial loss on defined benefit pension plans of US$23.2 million (2013: US$22.3 million).

29 Other Reserves

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Composition:				
Asset revaluation reserve	**347.0**	338.8	**-**	-
Translation reserve	**(1,196.0)**	(1,078.8)	**350.0**	414.7
Fair value reserve	**36.1**	31.1	**1.7**	0.1
Hedging reserve	**(13.5)**	4.2	**-**	-
Other reserve	**3.3**	3.3	**-**	-
Balance at 31st December	**(823.1)**	(701.4)	**351.7**	414.8
Movements:				
Asset revaluation reserve				
Balance at 1st January	**338.8**	333.7	**-**	-
Surplus on revaluation of assets	**6.0**	4.3	**-**	-
Share of associates' and joint ventures' surplus on revaluation of assets	**2.2**	0.8	**-**	-
Balance at 31st December	**347.0**	338.8	**-**	-
Translation reserve				
Balance at 1st January	**(1,078.8)**	(143.5)	**414.7**	469.6
Translation difference	**(117.2)**	(935.3)	**(64.7)**	(54.9)
Balance at 31st December	**(1,196.0)**	(1,078.8)	**350.0**	414.7
Fair value reserve				
Balance at 1st January	**31.1**	28.9	**0.1**	(1.2)
Available-for-sale investments				
- fair value changes	**12.5**	8.6	**1.6**	1.3
- transfer to profit and loss	**(9.2)**	(5.5)	**-**	-
Share of associates' and joint ventures' fair value changes of available-for-sale investments, net of tax	**1.7**	(0.9)	**-**	-
Balance at 31st December	**36.1**	31.1	**1.7**	0.1
Hedging reserve				
Balance at 1st January	**4.2**	(8.4)	**-**	-
Cash flow hedges				
- fair value changes	**(69.5)**	(25.5)	**-**	-
- deferred tax	**4.1**	(3.0)	**-**	-
- transfer to profit and loss	**51.7**	37.5	**-**	-
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	**(4.0)**	3.6	**-**	-
Balance at 31st December	**(13.5)**	4.2	**-**	-
Other reserve				
Balance at 1st January and 31st December	**3.3**	3.3	**-**	-

30 Non-controlling Interests

	Group	
	2014 US$m	2013 US$m
Balance at 1st January	**5,621.9**	6,064.7
Asset revaluation surplus		
- surplus on revaluation of assets	**8.6**	4.3
Share of associates' and joint ventures' surplus on revaluation of assets	**3.4**	1.1
Available-for-sale investments		
- fair value changes	**12.9**	(20.6)
- realised on disposal of subsidiaries	**-**	(0.5)
- transfer to profit and loss	**(10.0)**	(5.4)
	2.9	(26.5)
Share of associates' and joint ventures' fair value changes of available-for-sale investments, net of tax	**1.7**	(0.9)
Cash flow hedges		
- fair value changes	**(64.4)**	(27.5)
- deferred tax	**3.4**	(2.7)
- transfer to profit and loss	**51.4**	37.3
	(9.6)	7.1
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	**(3.9)**	3.4
Defined benefit pension plans		
- actuarial loss	**(2.3)**	8.6
- deferred tax	**0.7**	(2.2)
	(1.6)	6.4
Share of associates' and joint ventures' actuarial loss on defined benefit pension plans, net of tax	**(0.8)**	(0.7)
Translation difference	**(129.6)**	(1,265.1)
Profit for the year	**1,040.2**	1,174.2
Issue of shares	**-**	17.8
Dividends paid	**(493.1)**	(540.5)
Change in shareholding	**135.4**	126.1
Acquisition/disposal of subsidiaries	**-**	51.7
Other	**(0.1)**	(1.2)
Balance at 31st December	**6,175.4**	5,621.9

30 Non-controlling Interests (continued)

Set out below is the summarised financial information for the Group's subsidiary, Astra, that has non-controlling interests that are material to the Group.

Summarised balance sheet at 31st December:

	2014 US$m	2013 US$m
Current		
Assets	7,804.5	7,240.7
Liabilities	(5,894.5)	(5,827.1)
Total current net assets	1,910.0	1,413.6
Non-current		
Assets	11,957.8	11,162.6
Liabilities	(3,579.4)	(3,198.3)
Total non-current net assets	8,378.4	7,964.3
Non-controlling interests	(2,138.6)	(1,943.3)
Net assets	8,149.8	7,434.6

Summarised statement of comprehensive income for the year ended 31st December:

	2014 US$m	2013 US$m
Profit after tax	1,825.5	2,077.9
Other comprehensive income	(227.8)	(2,065.1)
Total comprehensive income	1,597.7	12.8
Total comprehensive income/(expense) allocated to non-controlling interests	223.1	(140.7)
Dividends paid to non-controlling interests	(123.1)	(128.9)

Summarised cash flows for the year ended 31st December:

	2014 US$m	2013 US$m
Cash generated from operations	1,705.0	2,618.2
Net interest and other financing costs paid	(13.3)	(29.7)
Income taxes paid	(494.2)	(627.7)
Net cash flows from operating activities	1,197.5	1,960.8
Net cash flows from investing activities	(841.3)	(830.0)
Net cash flows from financing activities	(242.2)	(536.3)
Net change in cash and cash equivalents	114.0	594.5
Cash and cash equivalents at 1st January	1,522.3	1,118.4
Effect of exchange rate exchanges	30.0	(190.6)
Cash and cash equivalents at 31st December	1,666.3	1,522.3

The information above is the amount before inter-company eliminations.

31 Related Party Transactions

In addition to the related party information shown elsewhere in the financial statements, the following significant related party transactions took place during the financial year:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
(a) With associates and joint ventures:				
Purchase of goods and services	**(7,079.7)**	(8,078.8)	**-**	-
Sale of goods and services	**1,353.6**	1,197.9	**-**	-
Commission and incentives earned	**19.6**	24.6	**-**	-
Bank deposits and balances	**403.6**	651.5	**-**	-
Dividend income	**-**	-	**13.5**	9.6
Interest received	**43.8**	32.1	**-**	-
(b) With related companies and associates of ultimate holding company:				
Gain on loss of control in a subsidiary	**-**	22.7	**-**	-
Management fees paid	**(4.5)**	(4.8)	**(4.4)**	(4.7)
Secondment costs	**(4.9)**	(4.6)	**(4.9)**	(4.6)
Purchase of goods and services	**(1.0)**	(0.9)	**-**	-
Sale of goods and services	**6.0**	2.3	**-**	-
(c) Remuneration of directors of the Company and key management personnel of the Group:				
Salaries and other short-term employee benefits	**(8.2)**	(7.7)	**(6.6)**	(4.8)

32 Commitments

(a) Capital commitments

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

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Authorised and contracted	**366.2**	261.8	**-**	-
Authorised but not contracted	**543.2**	658.2	**-**	-
	909.4	920.0	**-**	-

(b) Operating lease commitments

The Group leases various property, plant and machinery under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments and receivables under non-cancellable operating leases contracted for at the reporting date, but not recognised as liabilities or receivables, are as follows:

	Group		Company	
	2014 US$m	2013 US$m	**2014 US$m**	2013 US$m
Lease rentals payable:				
- within one year	**7.0**	5.7	**0.2**	0.2
- between one and five years	**14.4**	9.3	**-**	-
- beyond five years	**27.6**	30.7	**-**	-
	49.0	45.7	**0.2**	0.2
Lease rentals receivable:				
- within one year	**123.6**	115.0	**-**	-
- between one and five years	**115.8**	101.0	**-**	-
- beyond five years	**0.6**	1.8	**-**	-
	240.0	217.8	**-**	-

33 Derivative Financial Instruments

At 31st December, the fair values of the Group's and the Company's derivative financial instruments were:

	Group		Company	
	Assets US$m	Liabilities US$m	Assets US$m	Liabilities US$m
2014				
Designated as cash flow hedges				
- Forward foreign exchange contracts	-	2.7	-	-
- Interest rate swap contracts	**0.1**	0.5	-	-
- Cross-currency swap contracts	**159.6**	8.4	-	-
	159.7	11.6	-	-
Not qualifying as hedges				
- Forward foreign exchange contracts	-	0.1	-	-
2013				
Designated as cash flow hedges				
- Forward foreign exchange contracts	**1.0**	0.1	-	-
- Interest rate swap contracts	**0.1**	1.1	-	-
- Cross-currency swap contracts	**276.5**	0.4	-	-
	277.6	1.6	-	-
Not qualifying as hedges				
- Forward foreign exchange contracts	-	0.2	-	-

(a) Forward foreign exchange contracts

The contract amounts of the outstanding forward foreign exchange contracts at 31st December 2014 were US$74.8 million (2013: US$42.0 million).

(b) Interest rate swap contracts

The notional principal amounts of the outstanding interest rate swap contracts at 31st December 2014 were US$252.9 million (2013: US$333.6 million). At 31st December 2014, the fixed interest rates range from 0.59% to 3.46% per annum (2013: 0.59% to 4.35% per annum).

(c) Cross-currency swap contracts

The contract amounts of the outstanding cross-currency swap contracts at 31st December 2014 were US$2,376.2 million (2013: US$1,411.1 million).

34 Insurance Contracts

	Group	
	2014 US$m	2013 US$m
Gross estimated losses (Note 22)	**136.2**	104.2
Claims payable	**4.8**	4.7
Unearned premiums (Note 22)	**342.4**	328.0
	483.4	436.9
Less: Reinsurers' share of estimated losses (Note 20)	**(66.5)**	(43.8)
Total insurance liabilities	**416.9**	393.1
The gross estimated losses and unearned premiums are analysed as follows:		
Non-current	**82.3**	71.7
Current	**401.1**	365.2
	483.4	436.9

Claims payable are included in trade creditors. The amount and timing of claim payments are typically resolved within one year.

Movements in insurance liabilities and reinsurance assets

(a) Claims and loss adjustment expenses

	2014 US$m	2013 US$m
Balance at 1st January	**65.1**	61.8
Cash paid for claims settled in the period	**(140.8)**	(132.5)
Increase in liabilities		
- arising from current period claims	**143.6**	150.3
- arising from prior period claims	**8.4**	0.8
Translation adjustments	**(1.8)**	(15.3)
Total at 31st December	**74.5**	65.1
Notified claims	**59.3**	53.2
Incurred, but not reported	**15.2**	11.9
Total at 31st December	**74.5**	65.1

(b) Unearned premium provision

	2014 US$m	2013 US$m
At 1st January	**328.0**	338.2
Increase	**22.0**	68.9
Translation adjustments	**(7.6)**	(79.1)
Total at 31st December	**342.4**	328.0

The risk under an insurance contract is the possibility that the insured event may occur and the resulting loss may vary in severity. Although it is possible for the actual loss to exceed the carrying amount of insurance liabilities, the extent of liabilities of the risk carrier is confined to the sum insured or the limit specified under the contract.

34 Insurance Contracts (continued)

The Group manages its insurance risks through its underwriting guidelines, which are approved by an appropriate level of management regularly. The Group also has adequate reinsurance arrangements and proactive claims handling.

The concentration of insurance risks after reinsurance with reference to the carrying amount of the insurance liabilities is in four classes of business namely motor vehicles, heavy equipment, fire and fire major risks and marine cargo.

The insurance business is not a significant activity of the Group.

35 Cash Flows From Operating Activities

	Group	
	2014 US$m	2013 US$m
Profit before tax	**2,339.2**	2,624.8
Adjustments for:		
Financing income	**(102.0)**	(78.4)
Financing charges	**117.0**	106.7
Share of associates' and joint ventures' results after tax	**(576.2)**	(590.1)
Depreciation of property, plant and equipment	**582.7**	652.5
Amortisation of leasehold land use rights and intangible assets	**94.7**	80.8
Fair value (gain)/loss of:		
- plantations	**34.1**	14.9
- investment properties	**(35.6)**	(19.5)
Impairment of:		
- property, plant and equipment	**230.9**	1.1
- debtors	**128.6**	111.4
(Profit)/loss on disposal of:		
- leasehold land use rights	**(0.5)**	(0.7)
- property, plant and equipment	**(22.7)**	(10.5)
- investment properties	**-**	(0.5)
- plantations	**4.3**	0.9
- subsidiaries	**-**	(55.3)
- associate and joint venture	**(2.2)**	-
- investments	**(19.7)**	(10.8)
Loss on disposal/write-down of repossessed assets	**52.1**	56.4
Write-down of stocks	**20.5**	17.6
Changes in provisions	**24.4**	20.5
Foreign exchange (gain)/loss	**26.6**	68.0
	557.0	365.0
Operating profit before working capital changes	**2,896.2**	2,989.8
Changes in working capital		
Stocks	**(350.0)**	(19.9)
Financing debtors	**(613.2)**	(621.1)
Debtors	**(340.7)**	(176.7)
Creditors	**179.2**	443.5
Pensions	**22.8**	25.8
	(1,101.9)	(348.4)
Cash flows from operating activities	**1,794.3**	2,641.4

36 Notes to Consolidated Statement of Cash Flows

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

	Group	
	2014 US$m	2013 US$m
Bank balances and other liquid funds (Note 21)	**1,772.0**	1,601.1
Bank overdrafts (Note 24)	**(13.9)**	(0.1)
	1,758.1	1,601.0

(a) Purchase of subsidiaries

In 2014, Astra acquired new subsidiaries for US$26.4 million (2013: US$108.8 million). This comprised net cash outflow of US$26.0 million for a 100% interest in PT Palma Plantasindo, an oil palm plantation company in Indonesia, and US$0.4 million representing further payments made in relation to an acquisition of a coal mining business in 2012.

The acquisitions in 2013 comprised net cash outflow of US$41.8 million for a 100% interest in PT Pelabuhan Penajam Banua Taka, an integrated logistics port in Indonesia, US$66.3 million for a 51% interest in PT Pakoakuina, a producer of wheel rims for motor vehicles and motorcycles, and US$0.7 million representing further payments for the coal mining business acquisition.

Revenue and loss after tax since acquisition in respect of new subsidiaries acquired in 2014 amounted to US$0.6 million and US$1.0 million, respectively. Had the acquisitions occurred on 1st January 2014, consolidated revenue and consolidated profit after tax for the year ended 31st December would have been US$18,676.1 million and US$1,859.9 million, respectively.

	2014 Fair value US$m	2013 Fair value US$m
Intangible assets (Note 10)	**-**	16.5
Leasehold land use rights (Note 11)	**2.5**	41.8
Property, plant and equipment (Note 12)	**1.5**	70.4
Plantations (Note 14)	**27.0**	-
Interests in associates and joint ventures	**-**	9.4
Deferred tax assets (Note 25)	**-**	0.4
Stocks	**-**	12.8
Debtors	**-**	25.1
Current tax assets	**-**	3.5
Bank balances and other liquid funds	**-**	35.0
Non-current provisions (Note 23)	**-**	(0.1)
Non-current borrowings	**-**	(0.4)
Deferred tax liabilities (Note 25)	**-**	(4.1)
Pension liabilities (Note 26)	**-**	(4.8)
Current borrowings	**-**	(8.6)
Current tax liabilities	**-**	(0.6)
Creditors	**(5.0)**	(49.2)
Net assets	**26.0**	147.1
Adjustment for non-controlling interests	**-**	(52.4)
Goodwill	**-**	13.4
Total consideration	**26.0**	108.1
Adjustment for contingent consideration	**0.4**	0.7
Cash paid for business combination	**26.4**	108.8
Cash and cash equivalents of subsidiaries acquired	**-**	(35.0)
Net cash flow from business combination	**26.4**	73.8

36 Notes to Consolidated Statement of Cash Flows (continued)

(b) Purchase of shares in associates and joint ventures

Purchase of shares in associates and joint ventures in 2014 included US$56.2 million for Astra's subscription to PT Bank Permata Tbk's rights issue, and US$24.9 million for capital injection into PT Aisin Indonesia.

Purchase of shares in associates and joint ventures in 2013 included US$65.3 million for Astra's capital injections into certain associates and joint ventures.

(c) Sale of subsidiaries

In 2014, Astra received US$0.7 million as deferred consideration for the sale of a subsidiary in 2010.

In 2013, Astra received US$14.9 million for the sale of certain subsidiaries.

	Group	
	2014 US$m	2013 US$m
Leasehold land use rights (Note 11)	-	(9.0)
Investment properties (Note 13)	-	(11.6)
Other investments (Note 17)	-	(4.3)
Debtors	-	(3.3)
Bank balances and other liquid funds	-	(2.1)
Creditors	-	39.6
Deferred tax liabilities (note 25)	-	0.7
Adjustment for non-controlling interests	-	0.6
Net assets/liabilities disposed of	-	10.6
Realisation of fair value reserve	-	1.0
Profit on disposal of subsidiaries (Note 4)	-	(55.3)
Sale proceeds	-	(43.7)
Adjustment of carrying value of associates and joint ventures	-	29.5
Adjustment for deferred consideration	**(0.7)**	(0.7)
Cash proceeds from disposal	**(0.7)**	(14.9)
Cash and cash equivalents of subsidiaries disposed	-	2.1
Net cash flow from disposal	**(0.7)**	(12.8)

(d) Changes in controlling interests of subsidiaries

Change in controlling interests of subsidiaries in 2014 comprised an inflow of US$184.6 million arising from the sale by Astra of a 25% interest in PT Astra Sedaya Finance to its joint venture PT Bank Permata Tbk, reducing its direct interest to 75%, and an outflow of US$5.0 million arising from Astra's increase in shareholding from 95% to 100% in PT Marga Harjaya Infrastruktur.

Change in controlling interests of subsidiaries in 2013 comprised an outflow of US$51.4 million for Astra's acquisition of additional 15% interests in PT Asmin Bara Bronang and PT Asmin Bara Jaan, increasing its controlling interest to 75%, and an inflow of US$260.7 million arising from the sale by Astra of a 16% interest in PT Astra Otoparts Tbk, reducing its controlling interest to 80%.

37 Segment Information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and performance assessment. Astra is considered as one operating segment because the decisions for resource allocation and performance assessment are made directly by the board of Astra, taking into account the opinions of the JC&C Board. Set out below is an analysis of the segment information.

	Astra US$m	Other interests US$m	Corporate costs US$m	Group US$m
2014				
Revenue	**16,995.4**	**1,680.0**	**-**	**18,675.4**
Net operating costs	**(15,254.1)**	**(1,629.3)**	**(14.0)**	**(16,897.4)**
Operating profit	**1,741.3**	**50.7**	**(14.0)**	**1,778.0**
Financing income	**101.7**	**0.3**	**-**	**102.0**
Financing charges	**(115.7)**	**(0.5)**	**(0.8)**	**(117.0)**
Net financing charges	**(14.0)**	**(0.2)**	**(0.8)**	**(15.0)**
Share of associates' and joint ventures' results after tax	**529.1**	**47.1**	**-**	**576.2**
Profit before tax	**2,256.4**	**97.6**	**(14.8)**	**2,339.2**
Tax	**(468.3)**	**(10.3)**	**(0.2)**	**(478.8)**
Profit after tax	**1,788.1**	**87.3**	**(15.0)**	**1,860.4**
Non-controlling interests	**(1,035.2)**	**(5.0)**	**-**	**(1,040.2)**
Profit attributable to shareholders	**752.9**	**82.3**	**(15.0)**	**820.2**
Non-trading items	**(28.9)**	**-**	**1.5**	**(27.4)**
Underlying profit attributable to shareholders	**724.0**	**82.3**	**(13.5)**	**792.8**
Net cash/(debt) (excluding net debt of financial services companies)	**(266.4)**	**60.0**	**(32.7)**	**(239.1)**
Total equity	**10,373.9**	**382.5**	**42.2**	**10,798.6**
2013				
Revenue	18,440.1	1,347.7	-	19,787.8
Net operating costs	(16,406.8)	(1,305.8)	(12.2)	(17,724.8)
Operating profit	2,033.3	41.9	(12.2)	2,063.0
Financing income	78.1	0.2	0.1	78.4
Financing charges	(105.0)	(0.7)	(1.0)	(106.7)
Net financing charges	(26.9)	(0.5)	(0.9)	(28.3)
Share of associates' and joint ventures' results after tax	563.0	27.1	-	590.1
Profit before tax	2,569.4	68.5	(13.1)	2,624.8
Tax	(528.3)	(6.9)	(0.4)	(535.6)
Profit after tax	2,041.1	61.6	(13.5)	2,089.2
Non-controlling interests	(1,171.2)	(3.0)	-	(1,174.2)
Profit attributable to shareholders	869.9	58.6	(13.5)	915.0
Non-trading items	(20.9)	-	-	(20.9)
Underlying profit attributable to shareholders	849.0	58.6	(13.5)	894.1
Net cash/(debt) (excluding net debt of financial services companies)	(302.5)	16.9	(17.8)	(303.4)
Total equity	9,465.2	356.9	60.9	9,883.0

Segment assets and liabilities are not disclosed as these are not regularly provided to the Board.

37 Segment Information (continued)

Set out below are analyses of the Group's revenue and non-current assets, by geographical areas:

	Indonesia US$m	Others US$m	Total US$m
2014			
Revenue	**16,995.4**	**1,680.0**	**18,675.4**
Non-current assets	**8,580.8**	**243.6**	**8,824.4**
2013			
Revenue	18,440.1	1,347.7	19,787.8
Non-current assets	8,190.7	225.4	8,416.1

Non-current assets excluded financial instruments and deferred tax assets. Indonesia is disclosed separately as a geographical area as most of the customers are based in Indonesia.

38 Immediate and Ultimate Holding Companies

The Company's immediate holding company is Jardine Strategic Singapore Pte Ltd, incorporated in Singapore and its ultimate holding company is Jardine Matheson Holdings Limited, incorporated in Bermuda.

39 Reclassification Of Accounts

Certain comparative amounts have been reclassified for consistency with the presentation of the 2014 consolidated financial statements. The reclassification has no material impact to the Group.

40 Subsequent Events

(a) In January 2015, Astra's subsidiary, PT United Tractors Tbk, acquired a 40% interest in PT Acset Indonusa Tbk, an Indonesian listed company which operates a construction business. Consequently, a Mandatory Tender Offer will be conducted according to local regulations.

(b) In January 2015, Astra's subsidiary, PT Astra Agro Lestari Tbk, acquired a 50% shareholding in PT Kreasijaya Adhikarya, a palm oil refiner, for a total consideration of approximately US$29.4 million.

(c) In February 2015, the Group acquired additional 8 million shares in Refrigeration Electrical Engineering Corporation ("REE") for a cash consideration of approximately US$12.3 million. With the acquisition, the Group's interest in REE increased from 18.63% to 21.60% and REE has become an associate of the Group.

41 **Principal Subsidiaries, Associates and Joint Ventures**
The details of principal subsidiaries are as follows:

	Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2014 %	2013 %
	Singapore				
•	Cycle & Carriage Industries Pte Ltd	Retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Cycle & Carriage Automotive Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Cycle & Carriage Kia Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Cycle & Carriage France Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Diplomat Parts Pte Ltd	Investment holding and sale of vehicle parts	Singapore	**100.0**	100.0
•	Republic Auto Pte Ltd	Retail and leasing of vehicles	Singapore	**70.0**	70.0
	Malaysia				
◆	Cycle & Carriage Bintang Berhad (Quoted on Bursa Malaysia)	Retail of vehicles and provision of after-sales services	Malaysia	**59.1**	59.1
	Indonesia				
◆	PT Astra International Tbk (Quoted on the Indonesia Stock Exchange)	Investment holding and retail of vehicles and motorcycles	Indonesia	**50.1**	50.1
◆	PT United Tractors Tbk (Quoted on the Indonesia Stock Exchange)#	Distribution and rental of heavy equipment	Indonesia	**29.8**	29.8
◆	PT Pamapersada Nusantara#	Mining	Indonesia	**29.8**	29.8
◆	PT Astra Otoparts Tbk (Quoted on the Indonesia Stock Exchange)#	Manufacture and sale of automotive components	Indonesia	**40.1**	40.1
◆	PT Astra Agro Lestari Tbk (Quoted on the Indonesia Stock Exchange)#	Development of oil palm plantations, processing and sale of palm oil products	Indonesia	**39.9**	39.9
◆	PT Federal International Finance	Consumer finance activities	Indonesia	**50.1**	50.1
◆	PT Astra Graphia Tbk (Quoted on the Indonesia Stock Exchange)#	Sole agent and distributor of Fuji Xerox copier and information technology goods	Indonesia	**38.5**	38.5

41 Principal Subsidiaries, Associates and Joint Ventures (continued)

The details of principal associates and joint ventures are as follows:

	Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2014 %	2013 %
Indonesia					
◆	PT Astra Honda Motor	Manufacture, assembly, and distribution of Honda motorcycles and provision of after-sales services	Indonesia	**25.1**	25.1
◆	PT Toyota Astra Motor*	Distribution of Toyota vehicles	Indonesia	**25.6**	25.6
◆	PT Astra Daihatsu Motor	Manufacture, assembly and distribution of Daihatsu vehicles	Indonesia	**16.0**	16.0
+	PT Bank Permata Tbk (Quoted on the Indonesia Stock Exchange)	Commercial bank	Indonesia	**22.3**	22.3
◆	PT Tunas Ridean Tbk (Quoted on the Indonesia Stock Exchange)	Retail of vehicles and motorcycles, provision of operating lease and consumer financing services	Indonesia	**43.8**	43.8
Vietnam					
@	Truong Hai Auto Corporation	Assembly, distribution and retail of motor vehicles	Vietnam	**29.5**	32.0
Myanmar					
√	Cycle & Carriage Automobile Myanmar Company Limited*	Vehicle maintenance and repair service centre	Myanmar	**60.0**	60.0

• Audited by PricewaterhouseCoopers LLP, Singapore.
◆ Audited by Tanudiredja, Wibisana & Rekan in Indonesia and PricewaterhouseCoopers, Malaysia, members of the worldwide PricewaterhouseCoopers organisation.
+ Audited by Siddharta Widjaja & Rekan in Indonesia, a member of the worldwide KPMG organisation.
@ Audited by EY Vietnam, a member of the worldwide EY organisation.
√ Audited by Win Thin & Associates in Myanmar.
Direct interest more than 50%.
* Not consolidated as the entity is not controlled by the Group and is deemed to be a joint venture as the Group shares control of the entity.