

FY2020 Audited Financials

ARA Asset Management Limited and its subsidiaries (the “Group”)

28 May 2021

- The consolidated financial statements of ARA Asset Management Limited and its subsidiaries (“ARA Group” or the “Group”) for the financial year ended 31 December 2020 as set out in this presentation have been extracted from the audited consolidated financial statements of ARA Group.
- ARA Group’s auditors, KPMG LLP had issued an unmodified audit opinion. In their opinion, the consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

	Group	
	2020	2019
	\$'000	\$'000
Assets		
Property, plant and equipment	26,625	21,552
Intangible assets	542,347	44,052
Associates and joint ventures	1,352,837	1,177,577
Financial assets	864,478	832,102
Deferred tax assets	1,780	1,242
Trade and other receivables	2,625	65,646
Contract costs	753	899
Prepayments	1,586	—
Total non-current assets	2,793,031	2,143,070
Financial assets	71,643	14,040
Trade and other receivables	215,323	148,128
Contract costs	129	131
Prepayments	3,810	1,933
Cash and cash equivalents	411,478	219,920
	702,383	384,152
Assets held for sale	10,257	—
Total current assets	712,640	384,152
Total assets	3,505,671	2,527,222

Statement of financial position (cont'd)

As at 31 December 2020



	Group	
	2020	2019
	\$'000	\$'000
Equity		
Share capital	1,995	1,995
Reserves	231,582	238,659
Perpetual securities	959,978	959,978
Retained earnings	797,697	685,014
Equity attributable to equity holders of the Company	1,991,252	1,885,646
Non-controlling interests	438,093	10,434
Total equity	2,429,345	1,896,080
Liabilities		
Loans and borrowings	591,071	453,477
Trade and other payables	20,735	81,014
Contingent consideration payables	3,041	—
Deferred tax liabilities	15,611	7,590
Total non-current liabilities	630,458	542,081
Loans and borrowings	52,537	10,027
Trade and other payables	348,872	65,142
Contingent consideration payables	22,128	—
Current tax payable	22,331	13,892
Total current liabilities	445,868	89,061
Total liabilities	1,076,326	631,142
Total equity and liabilities	3,505,671	2,527,222

On 5 March 2020 and 25 March 2020, the Group acquired LOGOS Property Group Limited and its subsidiaries and Venn Partners LLP and its subsidiaries respectively.

	Group	
	2020	2019
	\$'000	\$'000
Continuing operations		
Management fees	247,534	187,764
Acquisition, divestment and performance fees	101,819	9,825
Revenue	349,353	197,589
Finance income	55,784	67,890
Other income	10,559	2,813
	415,696	268,292
Administrative expenses	(123,917)	(89,746)
Lease expenses	(1,075)	(1,157)
Depreciation and amortisation	(15,224)	(5,794)
Loss on partial disposal of interest in an associate	(6,152)	(14,104)
Transaction costs and one-off expenses	(17,488)	(940)
Other expenses	(53,603)	(24,925)
Finance costs	(23,249)	(42,671)
Results from operating activities	174,988	88,955
Share of profit of equity-accounted investees, net of tax	61,143	86,797
Profit before tax	236,131	175,752
Tax expense	(51,318)	(23,088)
Profit from continuing operations	184,813	152,664
Discontinued operation		
Profit from discontinued operation, net of tax	–	67,051
Profit for the year	184,813	219,715
Profit attributable to:		
Equity holders of the Company	156,839	217,478
Non-controlling interests	27,974	2,237
Profit for the year	184,813	219,715
Earnings per share		
Basic and diluted earnings per share (cents)	10.48	17.90

	Group	
	2020	2019
	\$'000	\$'000
Profit for the year	184,813	219,715
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Net fair value changes in financial assets carried at fair value through other comprehensive income ("FVOCI")	(46,589)	(7,575)
Share of fair value reserve of associates and joint ventures	(2,379)	1,532
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences relating to financial statements of foreign operations	41,843	(14,451)
Share of other comprehensive income of associate and joint ventures	(442)	136
Effective portion of changes in fair value of cash flow hedges	—	31
Other comprehensive income for the year, net of tax	(7,567)	(20,327)
Total comprehensive income for the year	177,246	199,388
Total comprehensive income attributable to:		
Equity holders of the Company	158,253	196,688
Non-controlling interests	18,993	2,700
Total comprehensive income for the year	177,246	199,388

There is no income tax attributable to the items in other comprehensive income.

	Group	
	2020	2019
	\$'000	\$'000
Cash flows from operating activities		
Profit for the year	184,813	219,715
Adjustments for:		
Amortisation of intangible assets	6,720	478
Bad debts written off	60	—
Depreciation of property, plant and equipment	8,504	5,316
Distribution income	(34,154)	(58,233)
Gain on modification of lease contracts	(3)	—
Gain on sale of discontinued operation, net of tax	—	(61,456)
Gain on unrealised foreign exchange	(787)	(369)
Intangible assets written off	8	—
Interest expense	18,545	41,568
Interest income	(9,984)	(7,967)
Loss on disposal of property, plant and equipment	—	44
Loss on partial disposal of interest in an associate	6,152	14,104
Management fees received/receivable in units of real estate investment trusts	(74,566)	(75,720)
Net gain on fair value of financial assets	(2,082)	(1,652)
Property, plant and equipment written off	65	—
Share of profit of associates and joint ventures	(61,143)	(86,797)
Tax expense	51,318	23,088
	93,466	12,119
Change in trade and other receivables	42,266	(97,700)
Change in trade and other payables	(36,982)	21,777
Cash used in operations	98,750	(63,804)
Distribution income received	33,597	58,314
Proceeds from sale of units in real estate investment trusts	8,252	69,636
Tax paid	(36,653)	(21,238)
Cash flows from operating activities of continuing operations	103,946	42,908
Cash flows from operating activities of discontinued operation	—	22,506
Net cash from operating activities	103,946	65,414

	Group	
	2020	2019
	S'000	S'000
Cash flows from investing activities		
Acquisition of interest in associates	–	(216,280)
Capital contributions in associates and joint ventures	(27,944)	(6,283)
Dividends received from associates and joint ventures	68,252	42,305
Interest received	14,622	2,051
Net cash outflows arising from acquisition of subsidiaries	(295,982)	–
Payment of software development expenditure	(132)	(119)
Proceeds from disposal of discontinued operation, net of cash disposed	–	208,241
Proceeds from disposal of financial assets	–	15,903
Proceeds from disposal of property, plant and equipment	15	14
Proceeds from partial disposal in an associate	19,980	40,288
Proceeds from redemption of financial assets	33,454	87,403
Purchase of financial assets	(99,531)	(221,806)
Purchase of property, plant and equipment	(1,094)	(3,149)
Net cash used in investing activities	(288,360)	(51,432)

	Group	
	2020	2019
	\$'000	\$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	(3,969)	—
Advances from immediate holding company	870,965	105,382
Capital distributions to non-controlling interests	(1,167)	—
Contributions from non-controlling interests	166,101	1,969
Dividends paid non-controlling interests	(12,052)	(611)
Dividends paid to redeemable preference shareholder	—	(30,000)
Distributions paid to perpetual securities holders	(52,293)	(32,550)
Interest paid	(22,381)	(39,020)
Issue of perpetual securities, net of issue costs	—	347,001
Payment of lease liabilities	(6,535)	(3,014)
Proceeds from loan from immediate holding company	—	64,991
Proceeds from loans and borrowings	160,188	125,008
Repayment of advances from immediate holding company	(605,384)	(352,270)
Repayment of loan from immediate holding company	(65,422)	—
Repayment of loans and borrowings	(64,274)	(103,595)
Net cash from financing activities	363,777	83,291
Net increase in cash and cash equivalents	179,363	97,273
Cash and cash equivalents at 1 January	219,920	125,336
	399,283	222,609
Effect of exchange rate fluctuations on cash held	12,195	(2,689)
Cash and cash equivalents at 31 December	411,478	219,920

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