

Singapore Power Limited and its subsidiaries
Registration Number: 199406577N

Annual Report
Year ended 31 March 2015



Building a better
working world

Directors' report

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 March 2015.

Directors

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

Tan Sri Mohd Hassan Marican	
Mr Ho Tian Yee	
Mr Tan Chee Meng	
Mr Choi Shing Kwok	
Mrs Oon Kum Loon	
Mr Tan Puay Chiang	
Mr Ong Yew Huat	
Mr Timothy Chia Chee Ming	(Appointed on 16 June 2014)
Mr Ng Kwan Meng	(Appointed on 16 June 2014)
Mr Wong Kim Yin	

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year / Date of Appointment	Holdings at end of the year
Mr Ho Tian Yee		
Singapore Telecommunications Limited shares	2,850	2,850
Mr Tan Chee Meng		
Mapletree Commercial Trust units	205,887	—

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year / Date of Appointment	Holdings at end of the year
Mr Choi Shing Kwok		
Singapore Telecommunications Limited shares	2,720	2,720
Olam International Limited – 6% notes due 2018^	S\$500,000	S\$500,000
Mrs Oon Kum Loon		
Singapore Telecommunications Limited shares	2,720	2,720
Mapletree Industrial Trust units	8,134	8,430
Mr Tan Puay Chiang		
Neptune Orient Lines Limited shares	100,000	100,000
Singapore Airlines Limited shares	10,000	10,000
Singapore Technologies Engineering Limited shares	120,000	120,000
Singapore Telecommunications Limited shares	133,570	133,570
STATS ChipPAC Ltd shares	10,000	10,000
Mapletree Industrial Trust units	12,000	12,000
Mapletree Treasury Services Limited		
-3.88% notes due on 04/10/2018	S\$250,000	S\$250,000
-5.125% Perpetual securities	S\$250,000	S\$250,000
Mr Ong Yew Huat		
Singapore Telecommunications Limited shares	50,000	50,000
Mr Timothy Chia Chee Ming		
Singapore Telecommunications Limited shares	2,070	2,070

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year / Date of Appointment	Holdings at end of the year
Mr Ng Kwan Meng		
Neptune Orient Lines Limited shares	120,000	120,000
Singapore Telecommunications Limited shares	5,350	5,350
Singapore Technologies Engineering Ltd shares	25,000	25,000
SMRT Corporation Ltd shares	68,000	68,000
Starhub Ltd shares	6,000	6,000
Mapletree Commercial Trust units	10,000	10,000
Mapletree Greater China Commercial Trust units	172,000	172,000
Mapletree Industrial Trust units	10,000	10,000
Mr Wong Kim Yin		
Singapore Telecommunications Limited shares	190	190
Mapletree Industrial Trust units	30,000	30,000

^ Olam International Limited became a subsidiary of Temasek Holdings (Private) Limited during the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation 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 for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 33 to the financial statements, and except that certain directors have received remuneration from related corporations in their capacities as directors of those related corporations and that professional fees are paid or payable for services rendered by a firm in which a director is a member of that firm.

Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

On behalf of the Board of Directors



TAN SRI MOHD HASSAN MARICAN
Chairman



MR WONG KIM YIN
Group Chief Executive Officer/Director

11 June 2015

Statement by Directors

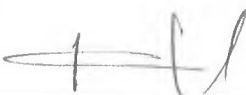
In our opinion:

- (a) the financial statements set out on pages 8 to 86 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Group and of the results and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



TAN SRI MOHD HASSAN MARICAN
Chairman

MR WONG KIM YIN
Group Chief Executive Officer/Director

11 June 2015

Independent Auditor's Report For the financial year ended 31 March 2015

Independent Auditor's Report to the Member of Singapore Power Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Power Limited (the "Company") and its subsidiaries (the "Group") set out on pages 8 to 86, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2015, the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the income statement, statement of comprehensive income and 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, Chapter 50 (the "Act") and Singapore 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Group and the results and changes in equity of the Company for the year ended on that date.

Other Matter

The financial statements of the Group and Company for the year ended 31 March 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 30 May 2014.

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.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

11 June 2015

Balance sheets
As at 31 March 2015

		Group		Company	
	Note	2015	2014	2015	2014
		\$ million	\$ million	\$ million	\$ million
			(restated)*		(restated)*
Non-current assets					
Property, plant and equipment	4	10,292.1	9,437.5	22.3	24.0
Intangible assets	5	117.7	106.6	7.6	7.6
Subsidiaries	6	—	—	6,854.9	6,779.5
Associates and joint venture	7	3,010.3	3,354.3	1.3	1.3
Other non-current assets	8	227.3	170.5	60.3	1.1
Deferred tax assets	9	8.3	12.1	—	—
Other investments	10	197.2	—	197.2	—
		13,852.9	13,081.0	7,143.6	6,813.5
Current assets					
Other investments	10	3.8	—	3.8	—
Inventories	11	53.0	48.3	—	—
Trade and other receivables	12	522.0	730.3	3,827.6	2,689.1
Cash and cash equivalents	15	1,203.3	3,120.4	544.6	2,872.4
		1,782.1	3,899.0	4,376.0	5,561.5
Total assets		15,635.0	16,980.0	11,519.6	12,375.0
Equity					
Share capital	16	2,911.9	3,911.9	2,911.9	3,911.9
Reserves	17	(265.9)	39.7	(0.6)	—
Accumulated profits		5,882.0	5,269.4	4,918.1	4,886.5
Equity attributable to owner of the Company		8,528.0	9,221.0	7,829.4	8,798.4
Non-controlling interests		—	46.9	—	—
Total equity		8,528.0	9,267.9	7,829.4	8,798.4
Non-current liabilities					
Bank loans	18	79.7	100.0	—	—
Debt obligations	19	3,174.5	3,715.3	—	—
Other financial liabilities	20	71.6	111.6	9.4	—
Other non-current liabilities	21	364.7	470.7	3.5	3.6
Deferred tax liabilities	9	1,150.9	1,099.8	0.4	1.4
		4,841.4	5,497.4	13.3	5.0
Current liabilities					
Trade and other payables	24	1,531.9	1,886.8	3,668.7	3,567.1
Debt obligations	19	582.4	162.1	—	—
Other financial liabilities	20	13.2	34.0	—	—
Current tax payable		138.1	131.8	8.2	4.5
		2,265.6	2,214.7	3,676.9	3,571.6
Total liabilities		7,107.0	7,712.1	3,690.2	3,576.6
Total equity and liabilities		15,635.0	16,980.0	11,519.6	12,375.0

* See note 2.5.

The accompanying notes form an integral part of these financial statements.

Income statements
Year ended 31 March 2015

		Group		Company	
	Note	2015	2014	2015	2014
		\$ million	\$ million	\$ million	\$ million
			(restated)*		
Continuing operations					
Revenue	27	4,840.3	4,793.1	477.3	198.3
Other income	28	191.7	265.6	5.0	10.3
Expenses					
- Purchased power		(2,873.4)	(3,202.7)	—	—
- Depreciation of property, plant and equipment		(502.4)	(456.2)	(4.9)	(5.8)
- Amortisation of intangible assets		(23.8)	(21.7)	(2.1)	(2.6)
- Maintenance		(87.4)	(97.4)	(5.9)	(4.6)
- Staff costs		(259.0)	(337.0)	(60.7)	(57.7)
- Property taxes		(44.1)	(56.3)	(0.3)	(0.3)
- Other operating expenses		(132.8)	(163.0)	(24.3)	(13.8)
Operating profit		1,109.1	724.4	384.1	123.8
Finance income	29	20.1	13.5	27.9	21.9
Finance costs	30	(88.8)	(82.5)	(4.8)	(6.9)
Share of profit of associates, net of tax		146.3	33.3	—	—
Share of profit of joint venture, net of tax		1.5	3.1	—	—
Profit before taxation		1,188.2	691.8	407.2	138.8
Tax (expense)/credit	31	(191.8)	(151.9)	(5.6)	4.9
Profit from continuing operations		996.4	539.9	401.6	143.7
Discontinued operations					
Profit from discontinued operations, net of tax	39	—	344.6	—	—
Exceptional items					
- Gain on derivatives used for economic hedge	39	—	129.0	—	—
Profit for the year	32	996.4	1,013.5	401.6	143.7
Profit attributable to:					
Owner of the Company		991.1	921.8	401.6	143.7
Non-controlling interests		5.3	91.7	—	—
Profit for the year		996.4	1,013.5	401.6	143.7

* See note 2.5.

The accompanying notes form an integral part of these financial statements.

Statements of comprehensive income
Year ended 31 March 2015

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
		(restated)*		
Profit for the year	996.4	1,013.5	401.6	143.7
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Defined benefit plan remeasurements, net of tax	—	58.5	—	—
Share of defined benefit plan remeasurements of associates	(11.5)	5.9	—	—
	(11.5)	64.4	—	—
Items that are or may be reclassified subsequently to profit or loss:				
Translation differences relating to financial statements of foreign operations	(327.5)	(950.9)	—	—
Effective portion of changes in fair value of cash flow hedges, net of tax	33.0	107.3	(2.7)	—
Net change in fair value of:				
– Cash flow hedges reclassified to profit or loss, net of tax	(9.4)	7.7	0.1	—
– Cash flow hedges on recognition of the hedged items on balance sheet, net of tax	1.5	49.5	—	—
– Available-for-sale financial assets	2.0	—	2.0	—
Disposal of subsidiaries (note 39)	—	741.1	—	—
Share of hedging reserves of associates	16.6	(9.2)	—	—
	(283.8)	(54.5)	(0.6)	—
Other comprehensive income for the year, net of tax	(295.3)	9.9	(0.6)	—
Total comprehensive income for the year	701.1	1,023.4	401.0	143.7
Attributable to:				
Owner of the Company	694.9	1,102.3	401.0	143.7
Non-controlling interests	6.2	(78.9)	—	—
Total comprehensive income for the year	701.1	1,023.4	401.0	143.7

* See note 2.5.

The accompanying notes form an integral part of these financial statements.

Statements of changes in equity
Year ended 31 March 2015

Group	Share capital \$ million	Currency translation reserve \$ million	Hedging reserve \$ million	Other reserves \$ million	Accumulated profits \$ million	Total equity attributable to owner of the Company \$ million	Non-controlling interests \$ million	Total equity \$ million
At 1 April 2013	3,911.9	73.7	(159.7)	(115.7)	4,753.5	8,463.7	1,917.5	10,381.2
Total comprehensive income for the year								
Profit for the year, as restated (note 2.5)	–	–	–	–	921.8	921.8	91.7	1,013.5
Other comprehensive income								
Translation differences relating to financial statements of foreign operations	–	(731.4)	–	–	–	(731.4)	(219.5)	(950.9)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	76.0	–	–	76.0	31.3	107.3
Net change in fair value of cash flow hedges reclassified to profit or loss, net of tax	–	–	6.9	–	–	6.9	0.8	7.7
Net change in fair value of cash flow hedges on recognition of the hedged items on balance sheet, net of tax	–	–	44.9	–	–	44.9	4.6	49.5
Defined benefit plan remeasurements, net of tax	–	–	–	46.3	–	46.3	12.2	58.5
Disposal of subsidiaries (note 39)	–	700.4	40.7	–	–	741.1	–	741.1
Share of other comprehensive income of associates	–	–	(9.2)	5.9	–	(3.3)	–	(3.3)
Total other comprehensive income	–	(31.0)	159.3	52.2	–	180.5	(170.6)	9.9
Total comprehensive income for the year, as restated	–	(31.0)	159.3	52.2	921.8	1,102.3	(78.9)	1,023.4
Transactions with owner, recognised directly in equity								
Contributions by and distribution to owner								
Dividends declared	–	–	–	–	(345.0)	(345.0)	–	(345.0)
Equity contribution by non-controlling interests	–	–	–	–	–	–	12.8	12.8
Dividends paid to non-controlling interests	–	–	–	–	–	–	(165.3)	(165.3)
Total transactions with owner	–	–	–	–	(345.0)	(345.0)	(152.5)	(497.5)
Changes in ownership interests in subsidiaries								
Disposal of subsidiaries (note 39)	–	–	–	–	–	–	(1,630.5)	(1,630.5)
Other								
Transfer from other reserves to accumulated profits	–	–	–	60.9	(60.9)	–	–	–
Impact of new accounting standard (note 2.5)	–	–	–	–	–	–	(8.7)	(8.7)
At 31 March 2014, as restated	3,911.9	42.7	(0.4)	(2.6)	5,269.4	9,221.0	46.9	9,267.9

The accompanying notes form an integral part of these financial statements.

Statements of changes in equity (continued)
Year ended 31 March 2015

Group	Share capital \$ million	Currency translation reserve \$ million	Hedging reserve \$ million	Other reserves \$ million	Accumulated profits \$ million	Total equity attributable to owner of the Company \$ million	Non-controlling interests \$ million	Total equity \$ million
At 1 April 2014, as restated	3,911.9	42.7	(0.4)	(2.6)	5,269.4	9,221.0	46.9	9,267.9
Total comprehensive income for the year								
Profit for the year	-	-	-	-	991.1	991.1	5.3	996.4
Other comprehensive income								
Translation differences relating to financial statements of foreign operations	-	(327.5)	-	-	-	(327.5)	-	(327.5)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	33.1	-	-	33.1	(0.1)	33.0
Net change in fair value of cash flow hedges reclassified to profit or loss, net of tax	-	-	(10.4)	-	-	(10.4)	1.0	(9.4)
Net change in fair value of cash flow hedges on recognition of the hedged items on balance sheet, net of tax	-	-	1.5	-	-	1.5	-	1.5
Net change in fair value of available-for-sale financial assets	-	-	-	2.0	-	2.0	-	2.0
Share of other comprehensive income of associates	-	-	16.6	(11.5)	-	5.1	-	5.1
Total other comprehensive income	-	(327.5)	40.8	(9.5)	-	(296.2)	0.9	(295.3)
Total comprehensive income for the year	-	(327.5)	40.8	(9.5)	991.1	694.9	6.2	701.1
Transactions with owner, recognised directly in equity								
Contribution by and distribution to owner								
Capital reduction	(1,000.0)	-	-	-	-	(1,000.0)	-	(1,000.0)
Dividends declared	-	-	-	-	(370.0)	(370.0)	-	(370.0)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1.0)	(1.0)
Total transactions with owner	(1,000.0)	-	-	-	(370.0)	(1,370.0)	(1.0)	(1,371.0)
Other								
Acquisition of non-controlling interests without a change in control (note 17)	-	-	-	-	-	-	(70.0)	(70.0)
Transfer from non-controlling interests to other reserves (note 17)	-	-	-	(17.9)	-	(17.9)	17.9	-
Transfer from other reserves to accumulated profits	-	-	-	8.5	(8.5)	-	-	-
At 31 March 2015	2,911.9	(284.8)	40.4	(21.5)	5,882.0	8,528.0	-	8,528.0

The accompanying notes form an integral part of these financial statements.

Statements of changes in equity
Year ended 31 March 2015

Company	Share capital \$ million	Hedging reserve \$ million	Other reserves \$ million	Accumulated profits \$ million	Total \$ million
At 1 April 2013	3,911.9	—	—	5,087.8	8,999.7
Profit for the year, representing total comprehensive income for the year	—	—	—	143.7	143.7
Dividends declared, representing total transactions with owner	—	—	—	(345.0)	(345.0)
At 31 March 2014	3,911.9	—	—	4,886.5	8,798.4
At 1 April 2014	3,911.9	—	—	4,886.5	8,798.4
Total comprehensive income for the year					
Profit for the year	—	—	—	401.6	401.6
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges, net of tax	—	(2.7)	—	—	(2.7)
Net change in fair value of cash flow hedges reclassified to profit or loss, net of tax	—	0.1	—	—	0.1
Net change in fair value of available-for-sale financial assets	—	—	2.0	—	2.0
Total other comprehensive income	—	(2.6)	2.0	—	(0.6)
Total other comprehensive income for the year	—	(2.6)	2.0	401.6	401.0
Transactions with owner, recognised directly in equity					
Dividends declared	—	—	—	(370.0)	(370.0)
Reduction in share capital	(1,000.0)	—	—	—	(1,000.0)
Total transactions with owner	(1,000.0)	—	—	(370.0)	(1,370.0)
At 31 March 2015	2,911.9	(2.6)	2.0	4,918.1	7,829.4

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows
Year ended 31 March 2015

	2015 \$ million	2014 \$ million (restated)*
Cash flows from operating activities		
Profit for the year	996.4	1,013.5
Adjustments for:		
Accretion of deferred customers' contribution	(20.9)	(24.0)
Depreciation and amortisation	526.2	985.6
Finance costs	88.8	685.9
Finance income	(20.1)	(37.3)
Loss on disposal of property, plant and equipment	1.4	8.6
Share of profit of associates and joint venture, net of tax	(147.8)	(102.6)
Loss on sale of discontinued operations, net of tax [^]	–	145.7
Tax expense	191.8	432.7
Gain on disposal of other investments	–	(4.0)
Others	0.6	0.2
	1,616.4	3,104.3
Changes in working capital:		
Inventories	(4.7)	8.7
Trade and other receivables	208.9	50.5
Balances with related parties (trade)	8.7	(4.0)
Trade and other payables	(287.3)	271.8
Cash generated from operations	1,542.0	3,431.3
Interest received	17.0	36.2
Net tax paid	(136.1)	(157.3)
Net cash generated from operating activities	1,422.9	3,310.2
Cash flows from investing activities		
Acquisition of interests in an associate	–	(8.1)
Acquisition of additional interests in a subsidiary	(70.0)	–
Acquisition of other investments	(195.1)	–
Dividends received from associates and joint venture	66.2	47.8
Proceeds from disposal of property, plant and equipment and intangible assets	14.1	13.2
Proceeds from disposal of other investments	–	18.9
Capital repayment by an associate	87.8	–
Purchase of intangible assets	(40.7)	(65.7)
Purchase of property, plant and equipment	(1,466.4)	(2,159.1)
Disposal of discontinued operations, net of cash balance [^]	–	3,484.7
Transaction costs on disposal of discontinued operations	–	(58.0)
Net cash (used in)/generated from investing activities	(1,604.1)	1,273.7

[^] See note 39.

* See note 2.5.

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows (continued)
Year ended 31 March 2015

	2015 \$ million	2014 \$ million (restated)*
Cash flows from financing activities		
Dividends paid to owner of the Company	(370.0)	(341.9)
Dividends paid to non-controlling interests	(1.0)	(165.3)
Interest paid	(138.1)	(765.7)
Repayment of bank loans and debt obligations	(214.4)	(5,608.9)
Return of capital to owner of Company	(1,000.0)	—
Proceeds from termination of swaps	—	33.0
Net receipt from customers' contributions	—	35.5
Proceeds from bank loans and debt obligations	—	3,530.7
Proceeds from issue of shares to non-controlling interests	—	12.8
Net cash used in financing activities	(1,723.5)	(3,269.8)
 Net (decrease)/increase in cash and cash equivalents	 (1,904.7)	 1,314.1
Cash and cash equivalents at beginning of the year	3,120.4	1,865.1
Effect of exchange rate changes on balances held in foreign currencies	(12.4)	(58.8)
Cash and cash equivalents at end of the year	1,203.3	3,120.4

* See note 2.5.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 11 June 2015.

1 Domicile and activities

Singapore Power Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 10 Pasir Panjang Road, #03-01, Mapletree Business City, Singapore 117438. The holding company is Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.

The principal activities of the Company are that of investment holding and provision of management support services. Its subsidiaries are engaged principally in the transmission and distribution of electricity and gas, provision of related consultancy services and investments in related projects.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group) and the Group's interests in associates and joint venture (collectively referred to as Group entities).

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies set out below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest 0.1 million, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed below:

Taxation

The Group is subject to taxes mainly in Singapore and Australia. Significant judgement is required in determining provision for taxes. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. 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. Details are set out in note 9 and note 31.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed below:

Impairment of associates

Impairment reviews in respect of associates are performed at least annually or when there is any indication that the investment in associates may be impaired. More regular reviews are performed if changes in circumstances or the occurrence of events indicate potential impairment. The Group uses the present value of future cash flows to determine the recoverable amounts of the underlying cash generating units in the associates. In calculating the recoverable amounts, significant management judgement is required in forecasting cash flows of the cash generating units, in estimating the terminal growth values and in selecting an appropriate discount rate.

Useful lives of property, plant and equipment

Assumptions made regarding the useful lives are based on the regulatory environment and technological developments. These assumptions are subject to risk and there is the possibility that changes in circumstances will alter expectations.

Estimating fair values of financial assets and financial liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement and disclosure purposes. Note 36 sets out the basis of valuation of financial assets and liabilities.

Accrued revenue

Revenue accrual estimates are made to account for the unbilled period between the end-user's last billing date and the end of the accounting period. The accrual relies on detailed analysis of customers' historical consumption patterns, which takes into account base usage and sensitivity to consumption growth. The results of this analysis are applied for the number of days over the unbilled period.

Revenue recognition

Revenue from use of system charges and transportation of gas is recognised when the service is rendered. This is estimated based on the amounts billed and the revenue allowed by Energy Market Authority (EMA), using the approved tariffs and the volume of electricity and gas delivered.

2.5 Changes in accounting policies

Adoption of new and revised FRSs and Interpretation to FRS

The Group has adopted all the new and revised FRSs and Interpretations to FRS (INT FRS) that became mandatory for the financial year beginning on 1 April 2014. Other than those discussed below, the adoption of these new FRSs and INT FRS did not have a significant impact to the Group.

FRS 110 – Consolidated Financial Statements

FRS 110 – Consolidated Financial Statements was effective from 1 January 2014, and the Group has accordingly applied equity-accounting for its investment in Power Automation Pte Ltd (PA), which was previously accounted for as a subsidiary.

Consequently, the quantitative impact of accounting for the investment in PA made to the balance sheet, income statement and consolidated statement of cash flows for the Group, and the balance sheet for the Company, and if it had been equity-accounted since its incorporation in 1995, is summarised below:

Group

	Total assets	Total liabilities	Total equity	Equity attributable to owner of the Company
<i>Balance Sheet</i>	\$ million	\$ million	\$ million	\$ million
Balance as reported at 31 March 2014	16,991.3	7,716.8	9,274.5	9,218.9
Impact of new accounting standard	(11.3)	(4.7)	(6.6)	2.1
Restated balance at 31 March 2014	16,980.0	7,712.1	9,267.9	9,221.0

	Profit for the year	Owner of the Company	Profit attributable to Non-controlling interests
<i>Income Statement</i>	\$ million	\$ million	\$ million
As reported for year ended 31 March 2014	1,014.4	919.7	94.7
Impact of new accounting standard	(0.9)	2.1	(3.0)
Restated amount for year ended 31 March 2014	1,013.5	921.8	91.7

<i>Consolidated Statement of Cash Flows</i>	Net cash from operating activities \$ million	Net cash from investing activities \$ million	Net cash from financing activities \$ million
As reported for year ended 31 March 2014	3,317.8	1,275.2	(3,275.9)
Impact of new accounting standard	(7.6)	(1.5)	6.1
Restated amount for year ended 31 March 2014	<u>3,310.2</u>	<u>1,273.7</u>	<u>(3,269.8)</u>

Company

<i>Balance Sheet</i>	Subsidiaries \$ million	Associates and joint venture \$ million	Total equity \$ million
Balance as reported at 31 March 2014	6,780.8	—	8,798.4
Impact of new accounting standard	(1.3)	1.3	—
Restated balance at 31 March 2014	<u>6,779.5</u>	<u>1.3</u>	<u>8,798.4</u>

The new accounting standard had an insignificant impact on financial statements for prior year ended 31 March 2013. Accordingly, the balance sheet as at 1 April 2013 was not presented as the effect of restatement is not material.

3 Significant accounting policies

The accounting policies set out below have been applied consistently for all periods presented in these financial statements, and have been consistently applied by the Group entities, except as explained in note 2.5, which addresses changes in accounting policies due to the adoption of new FRSs and Interpretation of FRSs.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value, or, when applicable, on the basis specified in another standard.

Any excess or deficiency of the purchase consideration over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed is accounted for as goodwill or bargain purchase gain (see note 3.4).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out below.

Investments in associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates and joint ventures are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The Group's investments in equity-accounted investees include goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

Transactions eliminated on consolidation

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

Accounting for subsidiaries by the Company

Investments in subsidiaries are stated in the Company's balance sheet at cost less accumulated impairment losses.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. The functional currencies of the Group entities are mainly Singapore dollar and Australian dollar. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currencies at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective (see below), available-for-sale equity instruments (see note 3.5) and financial liabilities designated as hedges of the net investment in foreign operations that is effective, or qualifying cash flow hedges which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars for presentation in these financial statements at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rate. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing cost. Capitalisation of borrowing costs will cease when the asset is ready for its intended use, which is defined by the commencement of revenue earning. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other operating expenses in profit or loss.

Subsequent costs

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

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

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

The estimated useful lives for the current and comparative periods are as follows:

	Singapore operations	Australia operations
Freehold buildings	–	10 – 99 years
Leasehold land	Over the term of the lease, ranging from 13 – 99 years	–
Leasehold buildings	3 – 30 years or the lease term, if shorter	3 – 40 years or the lease term, if shorter
Plant and machinery		
- Mains (Electricity)	20 – 30 years	5 – 100 years
- Mains (Gas)	20 – 50 years	4 – 120 years
- Transformers and switchgear	20 – 30 years	15 – 64 years
- Towers	20 years	70 years
Other plant and equipment (principally gas storage plant, remote control, network and telemetering equipment)	3 – 40 years	3 – 50 years
Motor vehicles and office equipment	3 – 10 years	2 – 20 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end, and adjusted if appropriate.

3.4 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill is recognised in profit or loss as an expense when incurred.

Intangible assets that have indefinite lives or that are not available for use are stated at cost less accumulated impairment losses.

Software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 3 to 5 years.

Transmission and distribution licences are stated at cost less accumulated impairment losses. No amortisation is provided as, in the opinion of management, they have unlimited useful lives. Such transmission and distribution licences are tested for impairment annually and whenever there is an indication that the transmission and distribution licences may be impaired, any impairment loss is recognised immediately in profit or loss.

Deferred expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Deferred expenditure relates mainly to contributions paid by the Group in accordance with regulatory requirements towards capital expenditure costs incurred by electricity generation companies. Deferred expenditure is amortised on a straight-line basis over the period in which the Group derives benefits from the capital contribution payments, which is generally the useful life of the relevant equipment ranging from 5 to 19 years.

Contract intangibles relate to estimated future economic benefits which the Group expects to derive from customer contracts and customer relationships acquired in business combinations. Contract intangibles are carried at fair value at the date of acquisition, and amortised on a straight-line basis over the period of expected benefits.

Intangible assets under construction are stated at cost. No amortisation is provided until the intangible assets are ready for use.

3.5 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The rights of offset must not be contingent on a future event and must be enforceable in the event of bankruptcy or insolvency of all the counterparties to the contract.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale. It would also prevent the Group from classifying investment securities as held-to-maturity for the current and the following two financial years.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3.7) and foreign currency differences on available-for-sale monetary items (see note 3.2), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to profit or loss.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and bank borrowings on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be “highly effective” in offsetting the changes in fair value or cash flows of the respective hedged items attributable to the hedged risk and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

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

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to profit and loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in profit or loss. The hedged item is adjusted to reflect changes in its fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in profit or loss with an adjustment to the carrying amount of the hedged item.

Economic hedges

Hedge accounting is not applied to derivative hedging instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in profit or loss as part of foreign currency gains and losses.

Derivatives that do not qualify for hedge accounting

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that requires the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a contractual agreement.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to profit or loss.

3.6 Leased assets

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

Other leases are operating leases and are not recognised in the Group's balance sheet.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.7 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event had occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Loans and receivables and held-to-maturity investments

The Group considers evidence of impairment for loans and receivables and held-to-maturity investments at both a specific asset and collective level. All individually significant loans and receivables and held-to-maturity investments are assessed for specific impairment. All individually significant receivables and held-to-maturity investments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investments that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investments with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investments. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

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

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

3.8 Inventories

Spare parts, accessories and other consumables are measured at the lower of cost and net realisable value. Cost is determined based on the weighted average method, and includes expenditure in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories. Allowance for obsolete, deteriorated or damaged stocks is made when considered appropriate.

3.9 Accrued revenue

Revenue accrual estimates are made to account for the unbilled amount at the reporting date.

3.10 Employee benefits

Provision is made for the accrued liability for employee entitlements arising from services rendered by employees up to the reporting date. The provision represents the Group's total estimated liability at the reporting date for employee entitlements.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, including on-costs. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 Provisions

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

Environmental

Environmental provision is made for the rehabilitation of sites based on the estimated costs of the rehabilitation. The liability includes the costs of reclamation, plant closure and dismantling, and waste site closure. The liability is determined based on the present value of the obligation. Annual adjustments to the liability are recognised in profit or loss over the estimated life of the sites. The costs are estimated based on assumptions of current legal requirements and technologies. Any changes in estimates are dealt with on a prospective basis.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.12 Deferred income

Deferred income comprises (i) government grants for the purchase of depreciable assets, (ii) contributions made by certain customers towards the cost of capital projects received prior to 1 July 2009 and (iii) billings in advance.

Government grants and customer contributions

Deferred income is recognised on a straight-line basis and taken to profit or loss over the periods necessary to match the depreciation of the assets purchased with the government grants and customers' contributions.

Billings in advance

Deferred income is recognised in profit or loss over the periods necessary to adjust allowed revenue (in accordance with the price regulation framework approved by EMA) to revenue earned based on services rendered. At the end of each regulatory period, any outstanding balance is taken to profit or loss as revenue.

3.13 Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

Sale of electricity and gas

Revenue from the sale of electricity and gas are recognised when electricity and gas are delivered to consumers.

Electricity transmission, gas transportation and distribution revenue

Revenue relates to transmission of electricity, transportation of gas and related services and is recognised when the services are rendered.

Distribution revenue relates to distribution of gas and electricity and related services and is recognised at the point of consumption. Distribution revenue comprises services rendered and a net accrual for unbilled and unread revenue. Accrued revenue is determined having regard to the period since a customer's last billing date and the customer's previous consumption patterns.

District cooling service income

Income from services is recognised when the services are rendered. The revenue corresponds to the quantum which the Group is entitled to under Condition 13 (Economic Regulation) of its District Cooling Services License issued by the Energy Market Authority of Singapore (EMA). The variance between tariff billing and the revenue entitled is reported as changes to the economic regulation equalisation account, an asset recorded in trade and other receivables for an under-recovery, and a liability recorded in trade and other payables for an over-recovery.

Transfers of assets from customers

Revenue arising from assets transferred from customers is recognised in profit or loss when the performance obligations associated with receiving those customer contributions are met. In determining the amount of revenue to be recognised, the fair value of the assets is required to be estimated and the circumstances and nature of the transferred assets, which includes market value and relevant rate-regulated framework governing those assets, are taken into account.

Agency fees and Market Support Services License fees

Agency fees from acting as billing agent and fees for services provided under Market Support Services License are recognised when the services are rendered.

Dividend income

Dividend income is recognised on the date that the Group's right to receive payment is established.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Support service income and management fees

Support service income and management fees are recognised when the services are rendered.

Capital and maintenance works income

Revenue from rendering of capital and maintenance service is recognised in proportion to the stage of completion of the contract when the stage of contract completion can be reliably measured. The stage of completion is assessed by reference to surveys of work performed.

Where the outcome of capital and maintenance contract cannot be reliably estimated, contract costs are expensed as incurred. Revenue is only recognised to the extent of costs incurred where it is probable that the costs will be recovered. An expected loss is recognised immediately as an expense.

3.14 Price regulation and licences

The Group's operations in Singapore are regulated under the Electricity Licence, Gas Supply Licence and the Market Support Services Licence issued by the Energy Market Authority of Singapore.

The Group's investments in Australia, depending on the industry and state these investments are in, are regulated under the Electricity Industry Act 2000 (Vic), National Electricity (Vic) Act 1997, Essential Services Commission Act 2001, National Electricity Law and Rules, Utilities Act 2000, National Gas Law and Rules, Gas Supply Act 1996 (NSW), Pipelines Act 1967 (NSW), Petroleum and Gas (Production and Safety) Act 2004 (Queensland), Pipelines Act 2005 (Vic), Gas Industry Act 2001, Gas Pipelines Access (Victoria) Act 1998 and the Water Industry Competition Act 2006 (NSW) as administered by the Australian Energy Regulator, the Essential Services Commission, the Australian Energy Market Operator, the Independent Competition and Regulatory Commission, the Independent Pricing and Regulatory Tribunal, Industry & Investment NSW, Queensland Mines and Energy, and Department of Primary Industries.

Revenue to be earned from the supply and transmission of electricity and gas and the provision of market support services is regulated based on certain formulae and parameters set out in those licenses, relevant acts and codes.

Actual revenue billed may vary from that allowed, resulting in an adjustment that may increase or decrease tariffs in succeeding periods to recover or refund amounts under or over charged. Amounts to be recovered or refunded are brought to account as adjustments to revenue in the period in which the Group becomes entitled to the recovery or liable for the refund.

3.15 Lease payment

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

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

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.16 Exceptional items

Exceptional items refer to items of income or expense from ordinary activities recognised in profit or loss that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial year.

3.17 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, fair value gains or losses on financial assets and liabilities at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), gains or losses on hedging instruments that are recognised in profit or loss and amortisation of transaction costs capitalised.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.18 Tax expense

Tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.19 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

3.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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

3.21 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations that are effective for annual periods beginning after 1 April 2014 have not been applied in preparing these financial statements. None of these is expected to have a significant impact on the Group's financial statements in the next financial year.

4 Property, plant and equipment

Group	Freehold land \$ million	Easements \$ million	Freehold buildings \$ million	Leasehold land \$ million	Leasehold buildings \$ million	Plant and machinery \$ million	Other plant and equipment \$ million	Motor vehicles and office equipment \$ million	Construction- in-progress \$ million	Total \$ million
Cost										
At 1 April 2013	177.2	763.0	371.5	463.8	1,342.9	28,805.0	1,067.6	1,165.2	1,741.8	35,898.0
Additions	2.1	0.2	34.3	3.2	3.3	686.4	50.7	138.1	1,395.7	2,314.0
Disposals	(2.0)	—	(0.1)	(0.2)	(1.2)	(73.6)	(11.3)	(19.5)	—	(107.9)
Disposal of subsidiaries (note 39)	(156.3)	(672.9)	(357.4)	—	(70.1)	(15,921.2)	(321.3)	(875.2)	(844.6)	(19,219.0)
Transfers from intangibles	—	—	—	—	—	—	—	16.0	—	16.0
Reclassifications	—	—	—	64.1	172.1	489.9	23.6	52.9	(802.6)	—
Translation differences	(20.7)	(90.3)	(48.3)	—	(6.6)	(2,055.9)	(61.1)	(116.7)	(100.6)	(2,500.2)
Impact of new accounting standard (note 2.5)	—	—	—	—	—	1.7	—	(3.4)	0.5	(1.2)
At 31 March 2014, as restated	0.3	—	—	530.9	1,440.4	11,932.3	748.2	357.4	1,390.2	16,399.7
Additions	—	—	—	0.3	—	0.5	5.4	34.2	1,337.7	1,378.1
Disposals	—	—	—	(0.2)	—	(106.1)	(3.8)	(9.4)	(1.0)	(120.5)
Transfers to intangibles	—	—	—	—	—	—	—	—	(5.5)	(5.5)
Reclassifications	—	—	—	14.6	49.1	457.5	34.5	8.9	(564.6)	—
At 31 March 2015	0.3	—	—	545.6	1,489.5	12,284.2	784.3	391.1	2,156.8	17,651.8

Group	Freehold land \$ million	Easements \$ million	Freehold buildings \$ million	Leasehold land \$ million	Leasehold buildings \$ million	Plant and machinery \$ million	Other plant and equipment \$ million	Motor vehicles and office equipment \$ million	Construction- in-progress \$ million	Total \$ million
Accumulated depreciation and impairment losses										
At 1 April 2013	-	2.1	90.6	137.7	651.5	8,442.4	604.8	605.9	-	10,535.0
Depreciation	-	0.3	7.4	11.8	49.8	678.4	55.1	108.8	-	911.6
Disposals	-	-	-	-	(1.2)	(55.4)	(11.1)	(18.4)	-	(86.1)
Disposal of subsidiaries (note 39)	-	(2.2)	(85.5)	-	(41.7)	(3,158.2)	(198.7)	(420.8)	-	(3,907.1)
Translation differences	-	(0.2)	(12.5)	-	(3.6)	(388.2)	(25.2)	(58.9)	-	(488.6)
Impact of new accounting standard (note 2.5)	-	-	-	-	-	-	-	(2.6)	-	(2.6)
At 31 March 2014, as restated	-	-	-	149.5	654.8	5,519.0	424.9	214.0	-	6,962.2
Depreciation	-	-	-	13.4	44.7	375.8	44.3	24.2	-	502.4
Disposals	-	-	-	-	-	(93.2)	(3.1)	(8.6)	-	(104.9)
At 31 March 2015	-	-	-	162.9	699.5	5,801.6	466.1	229.6	-	7,359.7
Carrying amounts										
At 1 April 2013	177.2	760.9	280.9	326.1	691.4	20,362.6	462.8	559.3	1,741.8	25,363.0
At 31 March 2014, as restated	0.3	-	-	381.4	785.6	6,413.3	323.3	143.4	1,390.2	9,437.5
At 31 March 2015	0.3	-	-	382.7	790.0	6,482.6	318.2	161.5	2,156.8	10,292.1

No property, plant and equipment were pledged as security to secure bank loans as at 31 March 2014 and 31 March 2015.

The cost and accumulated depreciation at 1 April 2013 have been adjusted to include fully depreciated property, plant and equipment of \$89.2 million.

Company	Leasehold land \$ million	Leasehold buildings \$ million	Plant and equipment \$ million	Motor vehicles and office equipment \$ million	Construction -in-progress \$ million	Total \$ million
Cost						
At 1 April 2013	9.4	17.1	5.9	28.5	0.9	61.8
Additions	—	—	0.1	—	4.0	4.1
Reclassifications	—	—	—	3.4	(3.4)	—
At 31 March 2014	9.4	17.1	6.0	31.9	1.5	65.9
Additions	—	—	—	—	3.2	3.2
Reclassifications	—	—	—	0.8	(0.8)	—
At 31 March 2015	9.4	17.1	6.0	32.7	3.9	69.1
Accumulated depreciation						
At 1 April 2013	5.0	8.8	2.3	20.0	—	36.1
Depreciation	0.3	0.9	1.0	3.6	—	5.8
At 31 March 2014	5.3	9.7	3.3	23.6	—	41.9
Depreciation	0.2	0.8	0.5	3.4	—	4.9
At 31 March 2015	5.5	10.5	3.8	27.0	—	46.8
Carrying amounts						
At 31 March 2013	4.4	8.3	3.6	8.5	0.9	25.7
At 31 March 2014	4.1	7.4	2.7	8.3	1.5	24.0
At 31 March 2015	3.9	6.6	2.2	5.7	3.9	22.3

Expenses capitalised

The following expenses were capitalised in property, plant and equipment during the year:

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Borrowing cost	—	29.1	—	—

5 Intangible assets

	Group					Company					
	Software \$ million	Licences \$ million	Contract intangibles \$ million	Deferred expenditure \$ million	Goodwill \$ million	Assets under construction \$ million	Total \$ million	Software \$ million	Deferred expenditure \$ million	Assets under construction \$ million	Total \$ million
Cost											
At 1 April 2013	608.5	951.2	342.1	87.9	3,349.2	27.4	5,366.3	11.8	0.7	1.1	13.6
Additions	12.8	—	—	0.2	—	53.8	66.8	—	—	3.5	3.5
Disposals	(3.6)	—	—	—	—	—	(3.6)	—	—	—	—
Disposal of subsidiaries (note 39)	(360.6)	(838.5)	(304.3)	17.3	(2,952.7)	(16.3)	(4,455.1)	—	—	—	—
Transfers to property, plant and equipment	(16.0)	—	—	—	—	—	(16.0)	—	—	—	—
Reclassification	35.5	—	—	1.5	—	(37.0)	—	2.7	—	(2.7)	—
Translation differences	(51.2)	(112.7)	(37.8)	—	(396.5)	(4.4)	(602.6)	—	—	—	—
Impact of new accounting standard (note 2.5)	—	—	—	(1.5)	—	—	(1.5)	—	—	—	—
At 31 March 2014, as restated	225.4	—	—	105.4	—	23.5	354.3	14.5	0.7	1.9	17.1
Additions	—	—	—	0.1	—	29.8	29.9	—	—	2.1	2.1
Disposals	(45.5)	—	—	—	—	(0.1)	(45.6)	—	—	—	—
Reclassification	22.0	—	—	—	—	(22.0)	—	—	—	—	—
Transfers from property, plant and equipment	—	—	—	5.4	—	0.1	5.5	1.5	—	(1.5)	—
At 31 March 2015	201.9	—	—	110.9	—	31.3	344.1	16.0	0.7	2.5	19.2

	Group						Company					
	Software \$ million	Licences \$ million	Contract intangibles \$ million	Deferred expenditure \$ million	Goodwill \$ million	Assets under construction \$ million	Total \$ million	Software \$ million	Deferred expenditure \$ million	Assets under construction \$ million	Total \$ million	
Accumulated amortisation and impairment losses												
At 1 April 2013	357.6	50.1	229.6	56.4	1,379.5	—	2,073.2	6.2	0.7	—	6.9	
Amortisation	54.9	—	14.1	5.5	—	—	74.5	2.6	—	—	2.6	
Impairment	—	—	—	0.6	—	—	0.6	—	—	—	—	
Disposals	(3.6)	—	—	—	—	—	(3.6)	—	—	—	—	
Disposal of subsidiaries (note 39)	(209.6)	(44.1)	(218.9)	17.3	(1,216.2)	—	(1,671.5)	—	—	—	—	
Translation differences	(30.6)	(6.0)	(24.8)	—	(163.3)	—	(224.7)	—	—	—	—	
Impact of new accounting standard (note 2.5)	—	—	—	(0.8)	—	—	(0.8)	—	—	—	—	
At 31 March 2014, as restated	168.7	—	—	79.0	—	—	247.7	8.8	0.7	—	9.5	
Amortisation	18.5	—	—	5.3	—	—	23.8	2.1	—	—	2.1	
Disposals	(45.1)	—	—	—	—	—	(45.1)	—	—	—	—	
At 31 March 2015	142.1	—	—	84.3	—	—	226.4	10.9	0.7	—	11.6	
Carrying amounts												
At 1 April 2013	250.9	901.1	112.5	31.5	1,969.7	27.4	3,293.1	5.6	—	1.1	6.7	
At 31 March 2014, as restated	56.7	—	—	26.4	—	23.5	106.6	5.7	—	1.9	7.6	
At 31 March 2015	59.8	—	—	26.6	—	31.3	117.7	5.1	—	2.5	7.6	

The cost and accumulated amortisation of the Group at 1 April 2013 have been adjusted to include fully amortised intangible assets of \$18.5 million.

6 Subsidiaries

	Company	
	2015	2014
	\$ million	\$ million
		(restated)
Unquoted equity shares, at cost	6,871.9	6,800.9
Unquoted units, at cost	—*	—*
Impairment losses	(17.0)	(21.4)
	<u>6,854.9</u>	<u>6,779.5</u>

* Amount is less than \$0.1 million

Details of significant subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation	Effective interest held by the Group	
			2015	2014
			%	%
SP PowerAssets Limited	Transmission and distribution of electricity	Singapore	100	100
PowerGas Limited	Transportation of piped gas	Singapore	100	100
SP PowerGrid Limited	Provision of management services to related corporations	Singapore	100	100
SP Services Limited	Sale of electricity and provision of customer services relating to utilities supply	Singapore	100	100
SP Cross Island Tunnel Trust	Construction, development, ownership, operation and maintenance of the cross island electricity tunnels in Singapore	Singapore	100	100
Singapore Power International Pte Ltd	Investment holding	Singapore	100	100

7 Associates and joint venture

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
		(restated)		(restated)
Investment in associates	3,002.8	3,345.3	–	–
Investment in a joint venture	7.5	9.0	1.3	1.3
	3,010.3	3,354.3	1.3	1.3
Fair value of interest in investment of associates for which there is a published price quotation – AusNet Services*	1,643.3	1,607.3	–	–

* AusNet Services is listed on the Australian Stock Exchange and Singapore Stock Exchange. Based on its closing price of A\$1.46 (2014: A\$1.31) on the Australian Stock Exchange, the fair value of the Group's investment is S\$1.6 billion (2014: S\$1.6 billion).

Name of associates	Principal activities	Place of incorporation and business	Effective interest held by the Group	
			2015	2014
			%	%
AusNet Services (formerly known as SP AusNet) Group of entities including:				
• AusNet Services (Finance) Trust (formerly known as SP Australia Networks (Finance) Trust)	Provision of loans to related corporations	Australia	31.1	31.1
• AusNet Services (Distribution) Limited (formerly known as SP Australia Networks (Distribution) Ltd)	Distribution of electricity and gas	Australia	31.1	31.1
• AusNet Services (Transmission) Limited (formerly known as SP Australia Networks (Transmission) Ltd)	Transmission of electricity within the state of Victoria	Australia	31.1	31.1
SGSP (Australia) Assets Pty Ltd and its subsidiaries (collectively referred to as SGSPAA)	Infrastructure services, and distribution of electricity and gas	Australia	40.0	40.0

The summarised financial information in respect of AusNet Services and SGSPAA, based on its FRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows; and are not adjusted for the percentage of ownership held by the Group:

	<i>AusNet Services</i>		<i>SGSPAA</i>	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Current assets	1,631.7	884.0	465.1	385.9
Non-current assets	10,961.1	11,478.2	9,593.7	10,071.1
Total assets	12,592.8	12,362.2	10,058.8	10,457.0
Current liabilities	1,651.3	1,381.1	5,515.4	5,508.7
Non-current liabilities	7,550.1	6,968.5	4,645.8	5,472.9
Total liabilities	9,201.4	8,349.6	10,161.2	10,981.6
Net assets	3,391.4	4,012.6	(102.4)	(524.6)
Net assets, excluding goodwill	3,391.4	4,012.6	(102.4)	(524.6)
Trust loans to associate	—	—	4,383.6	5,125.6
	3,391.4	4,012.6	4,281.2	4,601.0
Proportion of the Group's ownership	31.1%	31.1%	40.0%	40.0%
Group's share of net assets	1,054.7	1,247.9	1,712.5	1,840.4
Goodwill on acquisition	235.6	257.0	—	—
Carrying amount of the investment	1,290.3	1,504.9	1,712.5	1,840.4

The summarised statements of comprehensive income in respect of AusNet Services and SGSPAA, based on its full year FRS financial statements, not adjusted for the percentage ownership held by the Group, are as follows:

	<i>AusNet Services</i>		<i>SGSPAA</i>	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Revenue	2,051.6	2,096.1	2,078.9	2,002.8
Profit after tax from continuing operations	25.2	207.7	346.2	265.6
Other comprehensive income	(43.9)	100.4	46.8	63.3
Total comprehensive income	(18.7)	308.1	393.0	328.9

The Group recorded dividend income of \$100.5 million from AusNet Services, of which \$63.3m was settled by cash and the balance was settled by subscribing to shares issued by AusNet Services.

The summarised financial information in respect of Power Automation Pte Ltd (PA), based on its FRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements, not adjusted for the percentage ownership held by the Group are as follows:

	Joint venture	
	2015	2014
	\$ million	\$ million
		(restated)
Assets and liabilities		
Non-current assets	1.8	1.9
Current assets	25.5	35.1
Total assets	27.3	37.0
Current liabilities	9.8	16.4
Total liabilities	9.8	16.4
Net assets	17.5	20.6
Proportion of the Group's ownership	51%	51%
Group's share of net assets	8.9	10.5
Elimination of intercompany transactions	(1.4)	(1.5)
Carrying amount of the investment	7.5	9.0

The summarised statement of comprehensive income in respect of PA, based on its full year FRS financial statements, not adjusted for the percentage ownership held by the Group, are as follows:

	Joint venture	
	2015	2014
	\$ million	\$ million
		(restated)
Results		
Revenue	40.6	55.2
Profit after taxation	5.8	5.9
Other comprehensive income	—	—
Total comprehensive income	5.8	5.9

8 Other non-current assets

		Group		Company	
		2015	2014	2015	2014
	Note	\$ million	\$ million	\$ million	\$ million
Finance lease receivables		15.4	17.1	—	—
Derivative assets		178.3	92.2	0.1	—
Other receivables		33.6	61.2	0.7	1.1
Balances with related corporations	26	—	—	59.5	—
		227.3	170.5	60.3	1.1

Finance lease receivables

The Group entered into arrangements to transport a minimum volume of piped gas to its customers using certain pipelines. Although the arrangements are not in the legal form of a lease, the Group concluded that the arrangements contain in substance leases of the submarine pipelines, because the minimum lease payments amount to substantially all the fair value of the leased assets. The lessees assume substantially all the risks and rewards of ownership. Accordingly, these leases were classified as finance lease. The Group however continues to be the legal owner of the pipelines and therefore claims capital allowances for the pipelines.

The interest rate implied in each lease is determined at the commencement date of the lease.

The carrying amount of the finance lease receivables at the reporting date approximates its fair value, based on discounting the cash flows at the market rate.

	Group	
	2015	2014
	\$ million	\$ million
Gross investment in leased pipelines	24.3	36.1
Unearned income in leased pipelines	(6.5)	(8.4)
Net receivables	17.8	27.7
Current	2.4	10.6
Non-current	15.4	17.1
	17.8	27.7

	Gross investment	Unearned income	Net investment
	\$ million	\$ million	\$ million
2015			
Within 1 year	3.7	(1.4)	2.3
After 1 year but within 5 years	11.6	(3.5)	8.1
After 5 years	9.0	(1.6)	7.4
	24.3	(6.5)	17.8
2014			
Within 1 year	12.7	(2.1)	10.6
After 1 year but within 5 years	13.5	(4.1)	9.4
After 5 years	9.9	(2.2)	7.7
	36.1	(8.4)	27.7

The effective interest rates on the finance lease receivables ranges from 7.38% to 7.76%. (2014: 7.38% to 7.76%).

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's balance sheet; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the balance sheet.

Financial instruments such as trade receivables and trade payables are not disclosed in the tables below unless they are offset in the balance sheet.

The Group's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) Master Netting Agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. If, under certain circumstances when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the balance sheet. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Types of financial assets	Gross amounts of recognised financial assets \$ million	Gross amounts of recognised financial liabilities offset in the balance sheet \$ million	Net amounts of financial assets presented in the balance sheet \$ million	Related amounts not offset in the balance sheet – financial instruments \$ million	Net amounts \$ million
Group					
2015					
Derivative assets	184.0	—	184.0	(27.5)	156.5
2014					
Derivative assets	93.8	—	93.8	(9.2)	84.6

Types of financial liabilities	Gross amounts of recognised financial liabilities \$ million	Gross amounts of recognised financial assets offset in the balance sheet \$ million	Net amounts of financial liabilities presented in the balance sheet \$ million	Related amounts not offset in the balance sheet – financial instruments \$ million	Net amounts \$ million
Group					
2015					
Derivative liabilities	84.8	—	84.8	(27.5)	57.3
2014					
Derivative liabilities	145.6	—	145.6	(9.2)	136.4

Types of financial assets	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not offset in the balance sheet – financial instruments	Net amounts
	\$ million	\$ million	\$ million	\$ million	\$ million
Company					
2015					
Derivative assets	0.1	–	0.1	–	0.1
2014					
Derivative assets	–	–	–	–	–

Types of financial liabilities	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not offset in the balance sheet – financial instruments	Net amounts
	\$ million	\$ million	\$ million	\$ million	\$ million
Company					
2015					
Derivative liabilities	9.4	–	9.4	–	9.4
2014					
Derivative liabilities	–	–	–	–	–

The gross and net amounts of financial assets and financial liabilities as presented in the balance sheet that are disclosed in the above tables are measured at fair value.

The tables below reconcile the 'Net amounts of financial assets and financial liabilities presented in the balance sheet' to the line items presented in the Group's balance sheet.

Group

Types of financial assets/(liabilities)	Net amounts of financial assets/(liabilities) presented in the balance sheet \$ million	Line item in the balance sheet	Carrying amounts of assets/(liabilities) \$ million	Group's financial assets not in scope of offsetting disclosures \$ million	Note
2015					
Derivative assets	178.3	Other non-current assets	227.3	49.0	8
Derivative assets	5.7	Trade and other receivables	522.0	516.3	12
	<u>184.0</u>				
2014					
Derivative assets	92.2	Other non-current assets	170.5	78.3	8
Derivative assets	1.6	Trade and other receivables	730.3	728.7	12
	<u>93.8</u>				
2015					
Derivative liabilities	(13.2)	Other financial liabilities (Current)	(13.2)	—	20
Derivative liabilities	(71.6)	Other financial liabilities (Non-current)	(71.6)	—	20
	<u>(84.8)</u>				
2014					
Derivative liabilities	(34.0)	Other financial liabilities (Current)	(34.0)	—	20
Derivative liabilities	(111.6)	Other financial liabilities (Non-current)	(111.6)	—	20
	<u>(145.6)</u>				

The tables below reconcile the 'Net amounts of financial assets and financial liabilities presented in the balance sheet' to the line items presented in the Company's balance sheet.

Company

Types of financial assets/(liabilities)	Net amounts of financial assets/(liabilities) presented in the balance sheet \$ million	Line item in the balance sheet	Carrying amounts of assets/(liabilities) \$ million	Company's financial assets not in scope of offsetting disclosures \$ million	Note
2015					
Derivative assets	0.1	Other non-current assets	60.3	60.2	8
Derivative assets	—	Trade and other receivables	3,827.6	3,827.6	12
	<u>0.1</u>				
2014					
Derivative assets	—	Other non-current assets	1.1	1.1	8
Derivative assets	—	Trade and other receivables	2,689.1	2,689.1	12
	<u>—</u>				
2015					
Derivative liabilities	—	Other financial liabilities (Current)	—	—	20
Derivative liabilities	(9.4)	Other financial liabilities (Non-current)	(9.4)	—	20
	<u>(9.4)</u>				
2014					
Derivative liabilities	—	Other financial liabilities (Current)	—	—	20
Derivative liabilities	—	Other financial liabilities (Non-current)	—	—	20
	<u>—</u>				

9 Deferred taxation

Group	At 1 April 2013 \$ million	Recognised in profit or loss \$ million	Recognised in other comprehensive income \$ million	Transfer from Disposal of current tax/reclass \$ million	Disposal of subsidiaries (note 39) \$ million	Exchange differences \$ million	Impact of new accounting standard (note 2.5) \$ million	At 31 March 2014, as restated \$ million	Recognised in profit or loss \$ million	Recognised in other comprehensive income \$ million	At 31 March 2015 \$ million
Deferred tax assets											
Other financial assets	363.6	48.0	(12.2)	(33.1)	(308.2)	(41.3)	–	16.8	(3.7)	1.2	14.3
Trade and other payables and provisions	152.8	(14.1)	–	0.1	(114.9)	(17.0)	(0.5)	6.4	(0.5)	–	5.9
Tax losses carry forward	485.1	1.7	(56.2)	21.7	(395.6)	(56.3)	–	0.4	(0.4)	–	–
Deferred income	36.3	35.2	–	–	–	–	–	71.5	1.0	–	72.5
Others	33.2	(1.4)	(18.8)	0.5	(2.5)	(6.7)	–	4.3	1.0	(1.0)	4.3
	1,071.0	69.4	(87.2)	(10.8)	(821.2)	(121.3)	(0.5)	99.4	(2.6)	0.2	97.0
Set off of tax	(1,055.3)							(87.3)			(88.7)
Net deferred tax assets	15.7							12.1			8.3
Deferred tax liabilities											
Property, plant and equipment	(2,148.3)	(163.9)	–	0.2	991.2	121.8	–	(1,199.0)	(49.7)	–	(1,248.7)
Intangible assets	(18.1)	(24.7)	–	–	39.0	2.9	–	(0.9)	0.1	–	(0.8)
Trade and other receivables	(6.8)	(1.1)	–	–	–	–	–	(7.9)	4.8	–	(3.1)
Other financial assets	(264.8)	2.9	(5.7)	33.1	197.4	30.3	–	(6.8)	–	(5.3)	(12.1)
Others	44.7	(7.1)	(11.2)	(0.7)	(0.1)	1.9	–	27.5	(1.7)	(0.7)	25.1
	(2,393.3)	(193.9)	(16.9)	32.6	1,227.5	156.9	–	(1,187.1)	(46.5)	(6.0)	(1,239.6)
Set off of tax	1,055.3							87.3			88.7
Net deferred tax liabilities	(1,338.0)							(1,099.8)			(1,150.9)

Company	At 1 April 2013 \$ million	Recognised in profit or loss \$ million	At 31 March 2014 \$ million	Recognised in profit or loss \$ million	Recognised in other comprehensive income \$ million	At 31 March 2015 \$ million
Deferred tax assets						
Other financial assets	–	–	–	–	1.6	1.6
Trade and other payables and provisions	–	0.1	0.1	0.1	–	0.2
Others	0.6	–	0.6	–	–	0.6
	0.6	0.1	0.7	0.1	1.6	2.4
Set off of tax	(0.6)		(0.7)			(2.4)
Net deferred tax assets	–		–			–
Deferred tax liabilities						
Property, plant and equipment	(1.2)	–	(1.2)	–	–	(1.2)
Intangible assets	(0.9)	–	(0.9)	0.1	–	(0.8)
Other financial assets	–	–	–	–	(0.8)	(0.8)
	(2.1)	–	(2.1)	0.1	(0.8)	(2.8)
Set off of tax	0.6		0.7			2.4
Net deferred tax liabilities	(1.5)		(1.4)			(0.4)

The Group recognises deferred tax assets in relation to tax losses and unutilised capital allowances, after considering the availability of future taxable profits based on business plans approved by the subsidiaries' Board of Directors.

The tax losses are subject to agreement by tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The deductible temporary differences do not expire under current tax legislation.

10 Other investments

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Non-current				
Available-for-sale financial assets	197.2	—	197.2	—
Current				
Available-for-sale financial assets	3.8	—	3.8	—

11 Inventories

	Group	
	2015	2014
	\$ million	\$ million
Spare parts and accessories	2.4	2.5
Other consumables	50.6	45.8
	53.0	48.3

In 2015, inventories recognised as an expense in the income statement amounted to \$6.9 million (2014: \$119.8 million). The write-down of inventories to net realisable value by the Group amounted to \$2.8 million (2014: \$2.3 million). There is no reversal of write-down by the Group in 2015 (2014: \$0.1 million).

12 Trade and other receivables

	Note	Group		Company	
		2015	2014	2015	2014
		\$ million	\$ million (restated)	\$ million	\$ million
Trade receivables	13	262.1	328.6	—	—
Balances with related corporations	26	43.2	103.0	3,821.7	2,686.7
Derivative assets		5.7	1.6	—	—
Other receivables, deposits and prepayments	14	211.0	297.1	5.9	2.4
		<u>522.0</u>	<u>730.3</u>	<u>3,827.6</u>	<u>2,689.1</u>

13 Trade receivables

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million (restated)	\$ million	\$ million
Trade receivables	271.8	338.5	—	—
Impairment losses	(9.7)	(9.9)	—	—
	<u>262.1</u>	<u>328.6</u>	<u>—</u>	<u>—</u>

Trade receivables are non interest-bearing and the average credit term is between 5 to 30 business days (2014: 7 to 30 business days). An allowance has been made for estimated unrecoverable amounts, determined by reference to past default experience of individual debtors and collective portfolio.

Collateral in the form of bank guarantees, letters of credit and deposits are obtained from counterparties where appropriate. The amounts called upon during the current and previous financial year were insignificant and no item is individually significant.

The maximum exposure to credit risk for trade receivables at the reporting date by types of customer is as follows:

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million (restated)	\$ million	\$ million
Contestable transmission/ distribution customers	100.6	108.6	—	—
Non-contestable transmission/ distribution customers	134.3	199.8	—	—
Project-based customers	11.3	17.3	—	—
Others	15.9	2.9	—	—
	<u>262.1</u>	<u>328.6</u>	<u>—</u>	<u>—</u>

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region is as follows:

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
		(restated)		
Singapore	262.1	328.6	—	—

There is no significant concentration of credit risk of trade receivables.

The Group has policies in place to monitor its credit risk. Contractual deposits are collected and sufficient collateral is obtained to mitigate the risk of financial loss from defaults. The Group's customers are spread across diverse industries and ongoing credit evaluation is performed on the financial condition of receivables to ensure minimal exposure to bad debts.

The ageing of trade receivables at the reporting date is as follows:

	2015		2014	
	Gross	Impairment	Gross	Impairment
	\$ million	losses	\$ million	losses
		\$ million	(restated)	(restated)
Group				
Not past due	225.8	(1.4)	293.4	(2.7)
Past due 0-30 days	27.5	(1.0)	27.1	(0.9)
Past due 31-90 days	11.7	(1.9)	11.9	(1.5)
Past due 91-180 days	2.3	(1.5)	2.2	(1.4)
Past due more than 180 days	4.5	(3.9)	3.9	(3.4)
	271.8	(9.7)	338.5	(9.9)

The movement in impairment loss in respect of trade receivables during the year is as follows:

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
		(restated)		
At 1 April	9.9	15.5	—	—
Impairment loss recognised	0.7	0.7	—	—
Impairment loss reversed	(0.8)	(3.2)	—	—
Impairment loss utilised	(0.1)	(1.1)	—	—
Translation differences	—	(0.3)	—	—
Disposal of subsidiaries (note 39)	—	(1.7)	—	—
At 31 March	9.7	9.9	—	—

Receivables are denominated mainly in the functional currencies of the respective Group entities.

14 Other receivables, deposits and prepayments

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million (restated)	\$ million	\$ million
Accrued revenue	157.6	165.1	—	—
Deposits	21.3	90.1	0.6	0.6
Prepayments	14.6	19.5	1.9	1.8
Others	17.5	22.4	3.4	—
	<u>211.0</u>	<u>297.1</u>	<u>5.9</u>	<u>2.4</u>

Other receivables, deposits and prepayments are denominated mainly in the functional currencies of the respective Group entities.

15 Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million (restated)	\$ million	\$ million
Cash at bank and in hand	370.7	2,676.0	81.2	2,442.7
Fixed deposits	832.6	444.4	463.4	429.7
	<u>1,203.3</u>	<u>3,120.4</u>	<u>544.6</u>	<u>2,872.4</u>

The weighted average effective interest rates per annum relating to fixed deposits at the reporting date for the Group and the Company ranged from 0.87% to 2.50% (2014: 0.10% to 6.00%) and 0.87% to 2.50% (2014: 0.13% to 0.15%) respectively.

Cash and cash equivalents are denominated mainly in the functional currencies of the respective Group entities.

16 Share capital

	Company	
	No. of shares 2015 million	No. of shares 2014 million
Ordinary shares		
Issued and fully-paid, with no par value		
At 1 April	3,911.9	3,911.9
Capital repayment to owner of Company	(1,000.0)	—
At 31 March	<u>2,911.9</u>	<u>3,911.9</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

17 Reserves

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Currency translation reserve	(284.8)	42.7	—	—
Hedging reserve	40.4	(0.4)	(2.6)	—
Other reserves	(21.5)	(2.6)	2.0	—
	(265.9)	39.7	(0.6)	—

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to hedged transactions that have not occurred.

Other reserves comprise net actuarial gains on defined benefit plans of \$5.6 million (2014: \$2.6 million) and the difference amount of \$17.9 million, between the cash consideration of \$70.0 million and the value of minority interests of \$52.1 million, arising from an equity transaction for the acquisition of the remaining 40 per cent shareholding in a subsidiary, Singapore District Cooling Pte Ltd, on 30 March 2015, offset by fair value reserves of \$2.0 million (2014: nil).

18 Bank loans

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Current	—	—	—	—
Non-current	79.7	100.0	—	—
	79.7	100.0	—	—

Bank loans, comprise of floating rate loans, are unsecured and are repayable in 2018.

Interest rates on bank loans denominated in Singapore dollars are based on money market rates ranging from 1.26% to 1.57% (2014: 1.13% to 1.40%) per annum.

19 Debt obligations

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Current	582.4	162.1	—	—
Non-current	3,174.5	3,715.3	—	—
	3,756.9	3,877.4	—	—

Debt obligations comprise floating rate notes and fixed rate notes. These obligations are on bullet repayment terms.

Interest rates on debt obligations denominated in Singapore dollars range from 3.06% to 5.07% (2014: 3.06% to 5.07%) per annum. Interest rates on foreign currency debt obligations range from 0.92% to 4.01% (2014: 0.92% to 4.01%) per annum.

20 Other financial liabilities

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Current				
Derivative liabilities	13.2	34.0	—	—
Non-current				
Derivative liabilities	71.6	111.6	9.4	—

Financial guarantee contracts

The Company issued unsecured guarantees to a related corporation, when it was previously a subsidiary of the Company, in relation to bank loans. These guarantees were extinguished in 2014.

21 Other non-current liabilities

		Group		Company	
	Note	2015	2014	2015	2014
		\$ million	\$ million	\$ million	\$ million
Deferred income	22	360.4	467.0	—	—
Provisions	23	4.3	3.7	3.5	1.8
Others		—	—	—	1.8
		364.7	470.7	3.5	3.6

22 Deferred income

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Government grants	67.4	67.3	—	—
Customer contributions	565.0	565.0	—	—
	632.4	632.3	—	—
Accumulated accretion:				
Government grants	(39.6)	(37.4)	—	—
Customer contributions	(232.4)	(213.7)	—	—
	(272.0)	(251.1)	—	—
Billings in advance	—	85.8	—	—
	360.4	467.0	—	—

Movements in accumulated accretion are as follows:

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Government grants				
At 1 April	37.4	35.3	—	—
Accretion	2.2	2.1	—	—
At 31 March	39.6	37.4	—	—
Customer contributions				
At 1 April	213.7	224.3	—	—
Accretion	18.7	21.9	—	—
Disposal of subsidiaries (note 39)	—	(28.9)	—	—
Translation differences	—	(3.6)	—	—
At 31 March	232.4	213.7	—	—

23 Provisions

Group	Environmental \$ million	Restoration \$ million	Stamp duty \$ million	Decomm- issioning \$ million	Provision for customer rebates \$ million	Others \$ million	Total \$ million
At 1 April 2013	121.9	21.3	34.4	28.2	8.9	58.8	273.5
Provision made	20.0	8.3	0.9	0.7	11.1	19.7	60.7
Reversal of provision	(3.4)	(3.7)	—	—	—	(3.7)	(10.8)
Provision utilised	(2.3)	(5.3)	—	—	(11.6)	(36.6)	(55.8)
Disposal of subsidiaries (note 39)	(121.3)	(15.7)	(31.2)	(25.5)	(7.4)	(26.2)	(227.3)
Translation differences	(14.9)	(2.2)	(4.1)	(3.4)	(1.0)	(5.5)	(31.1)
Impact of new accounting standard (note 2.5)	—	—	—	—	—	(2.8)	(2.8)
At 31 March 2014, as restated	—	2.7	—	—	—	3.7	6.4
Provision made	—	0.6	—	—	—	0.5	1.1
Provision utilised	—	—	—	—	—	(0.3)	(0.3)
At 31 March 2015	—	3.3	—	—	—	3.9	7.2

	Note	Group 2015 \$ million	2014 \$ million (restated)
Current	25	2.9	2.7
Non-current	21	4.3	3.7
		<u>7.2</u>	<u>6.4</u>

Environmental

Environmental provision represents an estimate of the cost of the rehabilitation of sites, including the estimated costs of reclamation, plant dismantling and closures, and waste site closures.

Restoration

A provision for restoration cost is recognised when a Group entity has a legal or constructive obligation to make good and restore a site. The expected future restoration cost is discounted using a pre-tax rate which is the basis of the provision recognised. The unwinding of the discount increases the net present value of the expected liability over time, which is recognised as an accretion expense in profit or loss.

Stamp duty

Stamp duty provisions relate to the Group's acquisitions in Australia in prior years.

Decommissioning

A provision for decommissioning is recognised when the entity has a legal or constructive obligation as a result of a past event. The expected future decommissioning cost is discounted using a pre-tax rate which is the basis of the provision recognised. The unwinding of the discount increases the net present value of the expected liability over time and is recognised as an interest expense in profit or loss.

Provision for customer rebates

Provision for customer rebates represents an assessment of the rebates payable to the customer for costs incurred by the customer in the construction of low voltage and high voltage infrastructure for turnkey projects in the electricity distribution business.

Others

Other provisions relate mainly to the general operations of the business including defect liability, provision for foreseeable losses on projects and reinstatement costs.

24 Trade and other payables

	Note	Group		Company	
		2015 \$ million	2014 \$ million (restated)	2015 \$ million	2014 \$ million
Trade payables		159.4	200.8	2.7	5.4
Customers' deposits		361.8	368.4	—	—
Balances with related corporations	26	38.3	57.0	3,637.1	3,535.5
Liability for employee entitlements		12.6	29.8	2.5	2.3
Other payables and accruals	25	959.8	1,230.8	26.4	23.9
		<u>1,531.9</u>	<u>1,886.8</u>	<u>3,668.7</u>	<u>3,567.1</u>

Payables are denominated mainly in the functional currencies of the respective Group entities.

25 Other payables and accruals

	Note	Group		Company	
		2015 \$ million	2014 \$ million (restated)	2015 \$ million	2014 \$ million
Advance receipts		157.3	147.5	1.8	1.9
Interest payable		33.8	34.1	0.2	0.2
Accrued operating and capital expenditure		447.7	619.2	22.5	19.9
Provisions	23	2.9	2.7	1.9	1.9
Others		318.1	427.3	—	—
		<u>959.8</u>	<u>1,230.8</u>	<u>26.4</u>	<u>23.9</u>

Payables are denominated mainly in the functional currencies of the respective Group entities.

26 Balances with related corporations

		Group		Company	
	Note	2015 \$ million	2014 \$ million (restated)	2015 \$ million	2014 \$ million
Current:					
Amounts due from subsidiaries:					
- trade		—	—	20.3	26.1
- non-trade		—	—	3,801.4	2,659.3
Amounts due from related corporations (trade)		43.1	44.9	—	1.3
Amounts due from associates		0.1	58.1	—	—
	12	43.2	103.0	3,821.7	2,686.7
Non-current:					
Amounts due from subsidiaries:					
- non-trade		—	—	61.6	—
- impairment loss		—	—	(2.1)	—
	8	—	—	59.5	—
Current:					
Amounts due to subsidiaries:					
- trade		—	—	0.6	0.9
- non-trade		—	—	3,636.5	3,534.6
Amounts due to related corporations (trade)		35.2	48.0	—	—
Amounts due to associates		0.1	9.0	—	—
Amounts due to a joint venture		3.0	—	—	—
	24	38.3	57.0	3,637.1	3,535.5

Balances with related corporations are unsecured, with credit terms ranging from 7 to 30 days (2014: 7 to 30 days) and are denominated in Singapore dollars.

Balances with subsidiaries are unsecured, repayable on demand and denominated in Singapore dollars. Non-trade amounts due to and from subsidiaries of \$728.3 million (2014: \$626.5 million) and \$2,327 million (2014: \$1,168.1 million) respectively, bear interest at rates ranging from 0.79% to 1.97% (2014: 0.30% to 0.89%) per annum. All other amounts are otherwise non interest-bearing.

27 Revenue

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Sale of electricity and gas	3,521.8	3,863.5	—	—
Electricity and gas transmission and distribution revenue	1,110.4	714.4	—	—
District cooling service income	68.0	85.0	—	—
Market Support Services Licence fees	61.0	56.3	—	—
Agency fees	79.1	73.9	—	—
Dividend income from subsidiaries and joint venture	—	—	385.2	113.8
Rental income	—	—	1.4	1.4
Support service income	—	—	89.0	81.6
Others	—	—	1.7	1.5
	4,840.3	4,793.1	477.3	198.3

28 Other income

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million (restated)	\$ million	\$ million
Accretion of deferred income	20.9	20.9	—	—
Income relating to diversion jobs	46.9	36.3	—	—
Income relating to supply of telecommunication systems	33.6	33.4	—	—
Consultancy income	—	0.6	—	—
Rental income	4.8	7.3	—	—
Ancillary service income	—	65.4	—	—
Sale of scrap	13.7	15.2	—	—
Maintenance income	36.9	26.6	—	—
Others	34.9	59.9	5.0	10.3
	191.7	265.6	5.0	10.3

The Company, AusNet Services (formerly known as SP AusNet) and SPI Management Services Pty Ltd (SPIMS) entered into a Termination Deed, pursuant to which they have agreed to terminate the Management Service Agreement (MSA) with effect from 31 March 2014. Under the MSA, management services were provided by SPIMS (a wholly-owned subsidiary) to AusNet Services.

Under the Termination Deed, AusNet Services made a termination payment of \$58.4 million (A\$50 million) to SPIMS. The Group had recorded the termination income of \$58.4 million (A\$50 million) received by SPIMS under ancillary service income in 2014.

29 Finance income

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Interest income receivable or received from:				
- Subsidiaries	—	—	19.6	6.3
- Banks	11.4	5.9	6.2	3.2
- Finance lease	2.1	3.0	—	—
- Available-for-sale assets	2.1	—	2.1	—
Amortisation of financial guarantee, net of effect of back-to-back guarantee	—	—	—	12.4
Others	4.5	4.6	—	—
	20.1	13.5	27.9	21.9

30 Finance costs

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
Interest expense payable or paid to:				
- Subsidiaries	—	—	2.8	3.7
- Banks	14.7	15.7	1.0	1.2
- Debt obligations	87.3	107.2	—	1.2
Net change in fair value of cash flow hedges reclassified from equity	15.0	5.1	0.1	—
Loss/(Gain) arising from financial assets and liabilities in a fair value hedge				
- Hedged items	30.4	(60.0)	—	6.2
- Hedging instruments	(29.7)	60.5	—	(6.2)
Net change in fair value of financial assets and liabilities designated at fair value through profit or loss	(1.5)	(6.1)	—	—
Amortisation of transaction costs capitalised	3.9	4.1	0.4	0.8
Ineffective portion of changes in fair value of cash flow hedges	(6.8)	(14.0)	—	—
Amortisation of fair value adjustments on fair value hedges	(25.0)	(31.4)	—	—
Others	0.5	1.4	0.5	—
	88.8	82.5	4.8	6.9

31 Tax expense/(credit)

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million (restated)	\$ million	\$ million
Tax recognised in profit or loss				
Current tax expense/(credit)				
Current year	103.9	141.9	5.7	2.1
Under/(over) provision in respect of prior years	38.7	(6.6)	—	(6.9)
	142.6	135.3	5.7	(4.8)
Deferred tax expense/(credit)				
Origination and reversal of temporary differences	84.1	11.3	(0.1)	(0.1)
(Over) /under provision in respect of prior years	(34.9)	5.3	—	—
	49.2	16.6	(0.1)	(0.1)
Total tax expense/(credit) from continuing operations	191.8	151.9	5.6	(4.9)

Reconciliation of effective tax rate:

Profit before tax from continuing operations	1,188.2	691.8	407.2	138.8
Tax calculated using Singapore tax rate of 17%	202.0	117.6	69.2	23.6
Effect of tax rate in other countries	0.7	9.0	—	—
Non-deductible expenses	12.1	11.8	3.0	2.1
Tax on transactions with discontinued operations	—	17.4	—	—
Current year losses for which no deferred tax asset was recognised	4.0	1.8	—	—
Non-taxable income and tax allowances	(3.4)	(9.4)	(66.5)	(23.7)
Under/(Over) provision in respect of prior years:				
- current tax	38.7	(6.6)	—	(6.9)
- deferred tax	(34.9)	5.3	—	—
Effects of results of associates and joint venture presented net of tax	(25.1)	(6.2)	—	—
Others	(2.3)	11.2	(0.1)	—
	191.8	151.9	5.6	(4.9)

Tax recognised in other comprehensive income	Before tax \$ million	2015 Tax credit / (expense) \$ million	Net of tax \$ million	Before tax \$ million (restated)	2014 Tax credit / (expense) \$ million (restated)	Net of tax \$ million (restated)
Group						
Translation differences relating to financial statements of foreign operations	(327.5)	—	(327.5)	(950.9)	—	(950.9)
Effective portion of changes in fair value of cash flow hedges	40.4	(7.4)	33.0	146.2	(38.9)	107.3
Net change in fair value of cash flow hedges reclassified to profit or loss	(11.6)	2.2	(9.4)	9.2	(1.5)	7.7
Net change in fair value of cash flow hedges on recognition of the hedged items on balance sheet	1.9	(0.4)	1.5	72.1	(22.6)	49.5
Defined benefit plans remeasurements	—	—	—	83.6	(25.1)	58.5
Disposal of subsidiaries (note 39)	—	—	—	758.5	(17.4)	741.1
Net change in fair value of available-for-sale financial assets	2.2	(0.2)	2.0	—	—	—
Share of other comprehensive income of associates	5.1	—	5.1	(4.7)	1.4	(3.3)
	(289.5)	(5.8)	(295.3)	114.0	(104.1)	9.9

Tax recognised in other comprehensive income	Before tax \$ million	2015 Tax credit / (expense) \$ million	Net of tax \$ million
Company			
Effective portion of changes in fair value of cash flow hedges	(3.7)	1.0	(2.7)
Net change in fair value of cash flow hedges reclassified to profit or loss	0.1	—	0.1
Net change in fair value of available-for-sale financial assets	2.2	(0.2)	2.0
	(1.4)	0.8	(0.6)

32 Profit for the year

The following items have been included in arriving at profit for the year:

	Group		Company	
	2015 \$ million	2014 \$ million (restated)	2015 \$ million	2014 \$ million
Fees paid to non-executive directors of the Company	1.4	1.3	1.4	1.3
Fees paid to non-executive directors of subsidiaries of the Group	0.1	1.2	—	—
Operating lease expense	15.4	41.6	5.7	5.6
Exchange loss/ (gain), net	28.9	39.6	4.3	(8.8)
Contributions to defined contribution plans included in staff costs	36.4	75.5	5.1	4.9

33 Related parties

For the purpose of the financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company is a wholly-owned subsidiary of Temasek Holdings (Private) Limited (Temasek), which is its holding company and is incorporated in the Republic of Singapore. Temasek is an investment company headquartered in Singapore with a diversified investment portfolio. Accordingly, all the subsidiaries of Temasek are related corporations and are subject to common control. The Group and the Company engage in a wide variety of transactions with related corporations in the normal course of business on terms similar to those available to other customers. Such transactions include but are not limited to sales and purchases of power, provision of consultancy and engineering services, leasing of cables and ducts, agency services and financial and banking services. The related party transactions are carried out on terms negotiated between the parties which are intended to reflect competitive terms.

All electricity and gas supplies to companies in the Temasek group are related party transactions. The Temasek group has extensive interests in a large number of companies and it is not practical to compile data on the value of electricity and gas sales to the Temasek group. As the Group's rates for electricity and gas sales are based on posted tariffs approved by the electricity industry authorities in Singapore and Australia, the Group has concluded that it is not meaningful to present information relating to such transmission income and electricity and gas sales.

Other than electricity and gas sales and transactions to related corporations included under Temasek group and those sales and transactions disclosed elsewhere in the financial statements, significant transactions with related parties are as follows:

	Group		Company	
	2015 \$ million	2014 \$ million	2015 \$ million	2014 \$ million (restated)
Related corporations				
- Agency fee income	20.7	19.0	—	—
- Revenue from leasing of ducts and substations	31.1	32.0	—	—
Subsidiaries				
- Dividend income	—	—	382.1	110.7
- Support service income	—	—	89.0	81.6
- Interest income	—	—	19.6	6.3
- Interest expenses	—	—	(2.8)	(3.7)
Joint Venture				
- Dividend income	—	—	3.1	3.1
Key management compensation				
- Short-term employee benefits	13.7	13.4	11.0	9.5
- Post-employment benefits	—	—	—	—
- Other long-term benefits	—	0.1	—	—
- Share-based payments	—	0.7	—	—
	<u>13.7</u>	<u>14.2</u>	<u>11.0</u>	<u>9.5</u>

34 Operating segments

(a) Analysis by business segments

The Group is organised into four main reportable segments, namely:

- Singapore Transmission & Distribution (T&D) segment - Includes transmission and distribution of electricity and gas.
- Australia segment - Includes mainly the transmission and distribution of electricity and gas and asset management business.
- Market support business segment - Includes sales of electricity, market support services to the electricity market and provision of support services for mainly the local utility suppliers and waste collection service providers.
- Others – Includes investment holding services, management consultancy services, leasing of ducts and substations, district cooling services, engineering and commission services in the field of power quality monitoring system, protection systems, power systems and substation control system.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Information about reportable segments

	Singapore T&D segment \$ million	Australia segment \$ million	Market Support Business segment \$ million	Others \$ million	Inter- segment elimination \$ million	Total \$ million
2015						
External revenue	1,112.8	—	3,659.5	68.0	—	4,840.3
Inter-segment revenue	653.2	—	43.0	—	(696.2)	—
	1,766.0	—	3,702.5	68.0	(696.2)	4,840.3
Segment result	1,505.2	—	91.8	422.2	(383.9)	1,635.3
Depreciation	(475.3)	—	(4.8)	(22.3)	—	(502.4)
Amortisation	(9.1)	—	(12.7)	(2.0)	—	(23.8)
Finance income	3.2	—	6.3	29.4	(18.8)	20.1
Finance costs	(99.4)	—	(0.1)	(8.1)	18.8	(88.8)
Share of profit of associates	—	146.3	—	—	—	146.3
Share of profit of joint venture	—	—	—	1.5	—	1.5
Profit/(Loss) before taxation	924.6	146.3	80.5	420.7	(383.9)	1,188.2
Tax	(158.8)	—	(12.9)	(20.1)	—	(191.8)
Profit/(Loss) for the year	765.8	146.3	67.6	400.6	(383.9)	996.4
Segment assets and liabilities						
Other assets	10,760.9	—	932.8	3,771.8	(2,840.8)	12,624.7
Associates and joint venture	—	3,002.8	—	8.9	(1.4)	3,010.3
Segment assets	10,760.9	3,002.8	932.8	3,780.7	(2,842.2)	15,635.0
Segment liabilities	8,392.4	—	695.4	852.1	(2,832.9)	7,107.0
Capital expenditure	1,317.2	—	20.4	70.4	—	1,408.0

	Singapore T&D segment \$ million	Australia segment \$ million	Market Support Business segment \$ million	Others \$ million	Inter- segment elimination \$ million	Total \$ million
2014 (restated)						
External revenue	710.7	2,868.6	3,997.4	85.0	—	7,661.7
Inter-segment revenue	678.1	—	48.1	—	(726.2)	—
	1,388.8	2,868.6	4,045.5	85.0	(726.2)	7,661.7
Segment result	1,074.1	1,792.2	79.6	147.5	(115.5)	2,977.9
Depreciation	(428.2)	(455.1)	(5.2)	(22.8)	—	(911.3)
Amortisation	(8.2)	(52.6)	(10.9)	(2.7)	—	(74.4)
Finance income	6.3	23.8	5.8	11.1	(9.7)	37.3
Finance costs	(81.3)	(603.4)	—	(10.9)	9.7	(685.9)
Share of profit of associates	—	29.2	—	—	—	29.2
Share of profit of joint venture	—	70.3	—	3.1	—	73.4
Profit/(Loss) before taxation	562.7	804.4	69.3	125.3	(115.5)	1,446.2
Tax	(94.6)	(280.7)	(10.9)	(46.5)	—	(432.7)
Profit/(Loss) for the year	468.1	523.7	58.4	78.8	(115.5)	1,013.5
Segment assets and liabilities						
Other assets	9,934.1	—	952.2	4,604.4	(1,865.0)	13,625.7
Associates and joint venture	—	3,345.3	—	10.5	(1.5)	3,354.3
Segment assets	9,934.1	3,345.3	952.2	4,614.9	(1,866.5)	16,980.0
Segment liabilities	8,056.2	—	724.4	798.0	(1,866.5)	7,712.1
Capital expenditure	1,222.5	1,088.2	32.7	37.0	—	2,380.4

(b) Analysis by types of services

Revenue is based on services rendered regardless of geographical areas of the operations or assets.

	2015 \$ million	2014 \$ million
Sales of electricity	3,482.6	3,863.5
Electricity transmission and distribution	947.8	2,036.6
Gas transmission and distribution	162.6	1,046.9
Asset management revenue	—	425.2
Market support services licence income	61.0	56.6
Agency fees from utility suppliers	79.1	73.9
Others	107.2	159.0
	4,840.3	7,661.7

(c) Analysis by geographic areas

Revenue is based on location of the operations. Non-current assets, excluding derivative financial instruments and deferred tax assets, are based on location of those assets.

	Revenue		Non-current assets	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million (restated)
Singapore	4,840.3	4,793.1	10,663.5	9,631.4
Australia	–	2,868.6	3,002.8	3,345.3
	4,840.3	7,661.7	13,666.3	12,976.7

35 Financial risk management

The Group's activities expose it to foreign currency, interest rate, market price, credit and liquidity risks which arise in the normal course of business. The Group manages its exposure to these risks in accordance with its risk management policies. The Executive Committee and Board Risk Management Committee review and approve risk management policies. The Board Risk Management Committee assists the Board of Directors in managing the risks of the Group.

The Group utilises a variety of financial instruments to manage its exposure to interest rate and foreign exchange risks, including:

- spot and forward foreign exchange contracts;
- interest rate swaps; and
- cross currency interest rate swaps.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The material financial risks associated with the Group's activities are each described below, together with details of the Group's policies for managing the risks.

Foreign currency risk

The Group is exposed to foreign currency risks from borrowing activities, purchase, supply and installation contracts, cash and cash equivalents and trade creditors which are denominated in currencies other than Singapore dollars (or the functional currency in the case of foreign subsidiaries).

The objective of the Group's risk management policies is to mitigate foreign exchange risk by utilising various hedging instruments. The Group therefore considers avoidable currency risk exposure to be minimal for the Group.

The Group enters into cross-currency interest rate swaps to manage exposures arising from foreign currency borrowings including the US dollar, Hong Kong dollar and Japanese Yen. Under cross-currency interest rate swaps, the Group agrees to exchange specified foreign currency principal and interest amounts at an agreed future date at a pre-determined exchange rate. Such contracts enable the Group to mitigate the risk of adverse movements in foreign exchange rates. Except where a foreign currency borrowing is taken with the intention of providing a natural hedge by matching the underlying cash flows, all foreign currency borrowings are swapped back to Singapore dollars or the functional currency of the subsidiary concerned. For foreign exchange swaps that do not meet the requirements of hedge accounting, changes in fair value are recorded in profit or loss.

The Group uses forward foreign exchange contracts to substantially hedge foreign currency risk attributable to purchase transactions. The maturities of the forward foreign exchange contracts are intended to match the forecasted progress payments of the supply and installation contracts. Whenever necessary, the forward foreign exchange contracts are either rolled over at maturity or translated into foreign currency deposits, whichever is more cost efficient.

The Group's investments in its overseas subsidiaries, which are denominated in foreign currencies, are managed on a case-by-case basis.

As at 31 March 2015, the Group has outstanding forward foreign exchange contracts with notional amounts of approximately \$112.8 million (2014: \$142.6 million). The net fair value of forward foreign exchange contracts for the Group as at 31 March 2015 was \$0.2 million (2014: \$0.4 million) comprising assets of \$2.4 million (2014: \$1.7 million) and liabilities of \$2.2 million (2014: \$2.1 million). These amounts were recognised as derivative assets and liabilities in other non-current assets and other receivables, and other financial liabilities respectively.

Only the companies with the Singapore dollar (SGD) as their functional currencies have significant foreign currency exposures. As at 31 March 2015, if the SGD had moved against each of the currencies as illustrated in the table below, with all other variables held constant, profit before tax and equity would have been affected as below:

	Group		Company	
	Profit	Equity	Profit	Equity
	before tax	(hedging	before tax	(hedging
	\$ million	reserve)	\$ million	reserve)
		\$ million		\$ million
Judgements of reasonably possible movements – increase/(decrease):				
2015				
US Dollar				
Increase of the SGD by 8 per cent against US Dollar	–	(2.0)	–	–
Decrease of the SGD by 8 per cent against US Dollar	–	2.0	–	–

	Group		Company	
	Profit before tax \$ million	Equity (hedging reserve) \$ million	Profit before tax \$ million	Equity (hedging reserve) \$ million
Judgements of reasonably possible movements – increase/(decrease):				
2015				
Euro				
Increase of the SGD by 15 per cent against Euro	–	(1.3)	–	–
Decrease of the SGD by 15 per cent against Euro	–	1.3	–	–
Japanese Yen				
Increase of the SGD by 18 per cent against Japanese Yen	–	(10.3)	–	–
Decrease of the SGD by 18 per cent against Japanese Yen	–	10.3	–	–
Australian Dollar				
Increase of the SGD by 12 per cent against Australian Dollar	(19.7)	(0.1)	(10.1)	–
Decrease of the SGD by 12 per cent against Australian Dollar	19.7	0.1	10.1	–
2014 (restated)				
US Dollar				
Increase of the SGD by 10 per cent against US Dollar	0.1	(1.0)	0.1	–
Decrease of the SGD by 10 per cent against US Dollar	(0.1)	1.0	(0.1)	–
Euro				
Increase of the SGD by 13 per cent against Euro	–	(2.2)	–	–
Decrease of the SGD by 13 per cent against Euro	–	2.2	–	–
Japanese Yen				
Increase of the SGD by 21 per cent against Japanese Yen	–	(6.8)	–	–
Decrease of the SGD by 21 per cent against Japanese Yen	–	6.8	–	–

	Group	Company
	Profit	Profit
	before tax	before tax
	\$ million	\$ million
	Equity	Equity
	(hedging	(hedging
	reserve)	reserve)
	\$ million	\$ million
Judgements of reasonably possible movements – increase/(decrease):		
2014		
(restated)		
Australian Dollar		
Increase of the SGD by 17 per cent against Australian Dollar	(3.6)	(0.5)
Decrease of the SGD by 17 per cent against Australian Dollar	3.6	0.5

The judgements of reasonably possible movements were determined using statistical analysis of the 90th percentile (for Singapore operations) of the best and worst expected outcomes having regard to actual historical exchange rate data over the previous five years. Management considers that past movements are a reasonable basis for estimating possible movements in foreign currency exchange rates.

Interest rate risk

The Group manages its interest rate exposure by maintaining a significant portion of its debt at fixed interest rates. This is done by the (i) issuance of fixed rate debt; (ii) use of interest rate swaps to convert floating rate debt to fixed rate debt; or (iii) use of cross currency interest rate swaps to convert fixed or variable rate non-functional currency denominated debt to fixed rate functional currency denominated debt.

The use of derivative financial instruments relates directly to the underlying existing and anticipated indebtedness.

As at 31 March 2015, the Group has interest rate and cross currency interest rate swaps with a notional amount of \$8,202.9 million (2014: \$7,158.7 million). The Group classifies these swaps as cash flow and fair value hedges except for swaps of notional amount of \$3,840.7 million (2014: \$2,170.0 million) that do not meet the requirements of hedge accounting in which case, changes in fair value are recorded in the profit or loss. The net fair value of swaps of the Group as at 31 March 2015 was \$99.0 million (2014: \$51.4 million) comprising assets of \$181.5 million (2014: \$92.1 million) and liabilities of \$82.6 million (2014: \$143.5 million). These amounts are recognised as derivative assets and liabilities in other receivables and other financial liabilities respectively. The Group's excess funds are principally invested in bank deposits of varying maturities to match its cash flow needs.

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit before tax and equity would have been affected as follows:

	Group	Equity	Company	Equity
	Profit	(hedging	Profit	(hedging
	before tax	reserve)	before tax	(hedging
	\$ million	\$ million	\$ million	\$ million
Judgements of reasonably possible movements – increase/(decrease):				
2015				
Increase with all other variables held constant	41.5	41.9	9.5	–
Decrease with all other variables held constant	(46.6)	(39.6)	(9.5)	–
2014				
(restated)				
Increase with all other variables held constant	42.2	3.4	10.7	–
Decrease with all other variables held constant	(42.1)	1.3	(10.7)	–

The judgements of reasonably possible movements were determined using statistical analysis of the 90th percentile (for Singapore operations) best and worst expected outcomes having regard to actual historical interest rate data over the previous five years based on the six-month Singapore swap offer rate (for Singapore operations), three month Hong Kong interbank offer rate, three month USD London interbank offer rate (LIBOR) and six month JPY LIBOR. Management considers that past movements are a reasonable basis for estimating possible movements in interest rates. As at 31 March 2015, the movements in interest rates used in the table above are as follows:

- Singapore interest rates – 60 basis points (2014: 60 basis points)
- United States interest rates – 30 basis points (2014: 145 basis points)
- Japan interest rates – 10 basis points (2014: 25 basis points)
- Hong Kong interest rates – 20 basis points (2014: 130 basis points)

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to price risk arising from its investment in fixed income securities. These securities are mainly listed in Singapore and are classified as available-for-sale financial assets.

For such investments classified as available-for-sale, a 5 per cent increase in market price would have increased the Group's and the Company's equity by \$9.0 million after tax (2014: nil); an equal change in the opposite direction would have decreased the Group's and the Company's equity by \$9.0 million after tax (2014: nil).

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from the Group's financial assets, comprising cash and cash equivalents, trade and other receivables and other financial instruments.

Surplus funds are invested in interest bearing deposits with financial institutions with good credit ratings assigned by international credit rating agencies. Counterparty risks are managed by limiting exposure to any individual counterparty. The Group's portfolio of financial instruments is entered into with a number of creditworthy counterparties, thereby mitigating concentration of credit risk. The Group held cash and cash equivalents of \$1,203.3 million (2014: \$3,120.4 million) which represents its maximum exposure on these assets.

Counterparty risks on derivatives are generally restricted to any gain or loss when marked to market, and not on the notional amount transacted. As a prudent measure, the Group enters into derivatives only with financial institutions with good credit ratings assigned by international credit rating agencies. Therefore, the possibility of a material loss arising from the non-performance by a counterparty is considered remote.

There is no significant concentration of credit risk of trade receivables. The credit quality of trade and other receivables that are not past due or impaired at the reporting date is of acceptable risk. In addition to customers' deposits, the Group holds guarantees from creditworthy financial institutions to secure the obligations of certain customers.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group adopts prudent liquidity risk management by maintaining sufficient cash and liquid financial assets, and ensures the availability of funding through an adequate level of bank credit lines and the establishment of medium term note programmes.

The following are the expected contractual undiscounted cash flows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group 2015	Carrying amount \$ million	Total contractual cash inflows/ (outflows) \$ million	Within 1 year \$ million	1 – 2 years \$ million	2 – 5 years \$ million	More than 5 years \$ million
Non-derivative financial liabilities						
Trade and other payables*	(997.3)	(997.3)	(997.3)	–	–	–
Borrowings	(3,836.6)	(4,516.8)	(697.2)	(110.0)	(1,179.6)	(2,530.0)
Derivatives						
Derivative assets						
Interest rate swaps/cross currency interest rate swaps	181.5	194.5	9.6	21.8	76.7	86.4
Forward exchange contracts						
- Inflow		84.5	54.6	29.7	0.2	–
- Outflow		(82.0)	(53.0)	(28.8)	(0.2)	–
	2.5	2.5	1.6	0.9	–	–
Derivative liabilities						
Interest rate swaps/cross currency interest rate swaps	(82.6)	(170.2)	(11.3)	(3.4)	(27.3)	(128.2)
Forward exchange contracts						
- Inflow		27.7	26.7	1.0	–	–
- Outflow		(29.9)	(28.9)	(1.0)	–	–
	(2.2)	(2.2)	(2.2)	–	–	–
Total	(4,734.7)	(5,489.5)	(1,696.8)	(90.7)	(1,130.2)	(2,571.8)

Group 2014 (restated)	Carrying amount \$ million	Total contractual cash inflows/ (outflows) \$ million	Within 1 year \$ million	1 – 2 years \$ million	2 – 5 years \$ million	More than 5 years \$ million
Non-derivative financial liabilities						
Trade and other payables*	(1,338.4)	(1,338.4)	(1,338.4)	–	–	–
Borrowings	(3,977.4)	(4,740.6)	(291.3)	(706.9)	(1,036.2)	(2,706.2)
Derivatives						
Derivative assets						
Interest rate swaps/cross currency interest rate swaps	92.2	117.7	7.9	2.2	94.1	13.5
Forward exchange contracts						
- Inflow		48.7	43.2	5.1	0.4	–
- Outflow		(47.1)	(41.7)	(5.0)	(0.4)	–
	1.6	1.6	1.5	0.1	–	–
Derivative liabilities						
Interest rate swaps/cross currency interest rate swaps	(143.5)	(241.4)	(35.1)	(6.1)	(30.0)	(170.2)
Forward exchange contracts						
- Inflow		77.7	66.1	11.6	–	–
- Outflow		(79.8)	(67.8)	(12.0)	–	–
	(2.1)	(2.1)	(1.7)	(0.4)	–	–
Total	(5,367.6)	(6,203.2)	(1,657.1)	(711.1)	(972.1)	(2,862.9)

Company 2015	Carrying amount \$ million	Total contractual cash inflows/ (outflows) \$ million	Within 1 year \$ million	1 – 2 years \$ million	2 – 5 years \$ million	More than 5 years \$ million
Non-derivative financial liabilities						
Trade and other payables*	(3,662.5)	(3,662.5)	(3,662.5)	–	–	–
Derivatives						
Derivative assets						
Forward exchange contracts						
- Inflow		0.5	0.5	–	–	–
- Outflow		(0.4)	(0.4)	–	–	–
	0.1	0.1	0.1	–	–	–
Derivative liabilities						
Interest rate swaps/cross currency interest rate swaps	(9.4)	(9.4)	(0.4)	(0.4)	(8.6)	–
Forward exchange contracts						
- Inflow		0.4	0.4	–	–	–
- Outflow		(0.4)	(0.4)	–	–	–
	–	–	–	–	–	–
Total	(3,671.8)	(3,671.8)	(3,662.8)	(0.4)	(8.6)	–

Company 2014	Carrying amount \$ million	Total contractual cash inflows/ (outflows) \$ million	Within 1 year \$ million	1 – 2 years \$ million	2 – 5 years \$ million	More than 5 years \$ million
Non-derivative financial liabilities						
Trade and other payables*	(3,561.0)	(3,561.0)	(3,561.0)	–	–	–

* Excluding advance receipts, customers' deposits, liability for employee entitlements, provisions, financial guarantees, defined benefit liability and deferred income.

For swap hedging instruments that are cash flow hedges, the tables above indicate the periods that they are expected to impact profit or loss.

Capital management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios and capital includes debt and equity items as disclosed in the table below. Gearing ratio is calculated as total debt over shareholders' equity and total debt.

	2015 \$ million	2014 \$ million (restated)
Bank loans	79.7	100.0
Debt obligations	3,756.9	3,877.4
Gross borrowings	3,836.6	3,977.4
Less: Cash and cash equivalents	(1,203.3)	(3,120.4)
Net borrowings	2,633.3	857.0
Shareholder's funds	8,528.0	9,221.0
Non-controlling interests	–	46.9
Total equity	8,528.0	9,267.9
Total borrowings and equity	12,364.6	13,245.3
Net borrowings and equity	11,161.3	10,124.9

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

Neither the Company nor its subsidiaries are subject to any externally imposed capital requirement.

36 Fair values

Determination of fair values

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

Bank loans, debt obligations and derivative instruments

Fair values are measured using market observable data as at reporting date. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance lease, the market rate of interest is determined by reference to similar lease agreements.

Financial guarantee contracts

The fair value of financial guarantees provided by the Company to its subsidiaries is determined by reference to the difference in the interest rates, by comparing the actual rate charged by the bank with this guarantee made available, with the estimated rate that the bank would have charged had this guarantee not been available.

The fair value of a financial guarantee provided by the Company to a supplier for the benefit of a related corporation is determined based on the difference in cash flows between the committed purchases from the supplier and committed sales to end-users at the inception of the financial guarantee. The fair value of the back-to-back guarantee issued to the Company by the holding company is recognised as a financial asset of the same fair value as the financial guarantee issued for the benefit of the related corporation.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

Fair values versus carrying amounts

The Group's assets and liabilities that are carried at fair value mainly relate to available-for-sale financial assets and derivative instruments which are measured using market observable data and as such are deemed as level one and level two respectively within the fair value hierarchy disclosure required under FRS 113 *Fair Value Measurement*.

The fair value and net fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. Appropriate transaction costs are included in the determination of net fair value.

The carrying amounts of the financial instruments carried at cost or amortised cost are not materially different from their fair values except as follows:

Group	2015		2014	
	Carrying amount \$ million	Fair value \$ million	Carrying amount \$ million	Fair value \$ million
Financial liabilities				
Fixed rate debt obligations	(3,619.8)	(3,655.4)	(3,751.9)	(3,721.1)
Unrecognised (loss)/gain		(35.6)		30.8

The table below sets out the comparison by category of carrying amounts of all the Group's financial instruments, shown in the balance sheets:

Group	Loans and receivables	Fair value through profit or loss	Derivatives used for hedging	Available- for-sale	Other financial liabilities
2015	\$ million	\$ million	\$ million	\$ million	\$ million
Assets					
Other investments	—	—	—	201.0	—
Other non-current receivables	33.6	—	—	—	—
Finance lease receivables	17.8	—	—	—	—
Derivative assets	—	48.3	135.7	—	—
Trade and other receivables	499.3	—	—	—	—
Cash and cash equivalents	1,203.3	—	—	—	—
	<u>1,754.0</u>	<u>48.3</u>	<u>135.7</u>	<u>201.0</u>	<u>—</u>
Liabilities					
Trade and other payables*	—	—	—	—	997.3
Derivative liabilities	—	0.4	84.4	—	—
Bank loans	—	—	—	—	79.7
Debt obligations	—	—	—	—	3,756.9
	<u>—</u>	<u>0.4</u>	<u>84.4</u>	<u>—</u>	<u>4,833.9</u>
2014					
(restated)					
Assets					
Other non-current receivables	61.2	—	—	—	—
Finance lease receivables	27.7	—	—	—	—
Derivative assets	—	36.7	57.1	—	—
Trade and other receivables	698.6	—	—	—	—
Cash and cash equivalents	3,120.4	—	—	—	—
	<u>3,907.9</u>	<u>36.7</u>	<u>57.1</u>	<u>—</u>	<u>—</u>
Liabilities					
Trade and other payables*	—	—	—	—	1,338.4
Derivative liabilities	—	4.0	141.6	—	—
Bank loans	—	—	—	—	100.0
Debt obligations	—	—	—	—	3,877.4
	<u>—</u>	<u>4.0</u>	<u>141.6</u>	<u>—</u>	<u>5,315.8</u>

Company	Loans and receivables \$ million	Fair value through profit or loss \$ million	Derivatives used for hedging \$ million	Available- for-sale \$ million	Other financial liabilities \$ million
2015					
Assets					
Other investments	—	—	—	201.0	—
Other non-current receivables	60.2	—	0.1	—	—
Trade and other receivables	3,825.7	—	—	—	—
Cash and cash equivalents	544.6	—	—	—	—
	<u>4,430.5</u>	<u>—</u>	<u>0.1</u>	<u>201.0</u>	<u>—</u>
Liabilities					
Trade and other payables*	—	—	—	—	3,662.5
Derivative liabilities	—	—	9.4	—	—
	<u>—</u>	<u>—</u>	<u>9.4</u>	<u>—</u>	<u>3,662.5</u>
2014					
Assets					
Other non-current receivables	1.1	—	—	—	—
Trade and other receivables	2,687.3	—	—	—	—
Cash and cash equivalents	2,872.4	—	—	—	—
	<u>5,560.8</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Liabilities					
Trade and other payables*	—	—	—	—	3,561.0

* Excluding advance receipts, customers' deposits, liability for employee entitlements, provisions, financial guarantees, defined benefit liability and deferred income.

37 Commitments

	Group		Company	
	2015 \$ million	2014 \$ million (restated)	2015 \$ million	2014 \$ million
Contracted but not provided for:				
- property, plant and equipment and intangible assets	3,014.4	3,326.4	4.9	0.2

Lease receivables

At the reporting date, the Group and Company have commitments for future minimum lease receivables under non-cancellable operating leases as follows:

	Group		Company	
	2015 \$ million	2014 \$ million	2015 \$ million	2014 \$ million
Within one year	28.7	30.4	4.3	4.5
After one year but within five years	50.4	58.5	12.5	14.6
After five years	19.6	21.0	3.0	5.8
	<u>98.7</u>	<u>109.9</u>	<u>19.8</u>	<u>24.9</u>

Lease payments

At the reporting date, the Group and Company have commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group		Company	
	2015	2014	2015	2014
	\$ million	\$ million	\$ million	\$ million
		(restated)		
Within one year	11.8	13.0	8.2	8.7
After one year but within five years	36.8	33.6	27.4	28.4
After five years	11.0	15.1	8.2	15.1
	<u>59.6</u>	<u>61.7</u>	<u>43.8</u>	<u>52.2</u>

38 Contingent liabilities and contingent assets **(In relation to AusNet Services)**

(a) Australian Taxation Office (ATO) disputes

(i) Section 163AA impost

During August 2011, the ATO issued amended assessments to AusNet Services in respect of the 2001 to 2006 income years, disallowing deductions claimed in respect of fees imposed under Section 163AA of the Electricity Industry Act 1993(Vic) in the 1999 to 2001 tax years. Under the amended assessments, the amount of primary tax payable is A\$54.0 million.

In October 2011, AusNet Services paid A\$30.6 million under a part-payment arrangement agreed with the ATO. A general interest charge continues to accrue in respect of unpaid tax under the payment arrangement, in addition to the total amount disclosed on the amended assessments.

AusNet Services lodged a notice of appeal and other documents in the Federal Court, appealing the ATO's amended assessments. On 7 April 2014, the Federal Court delivered judgment against AusNet Services' appeal. On the basis of this ruling, AusNet Services recognised the full amount potentially payable in the financial statements net of the amount part-paid. As at 31 March 2015, the net tax potentially payable is A\$59.1 million.

On 12 December 2014, AusNet Services was granted special leave to appeal the High Court of Australia in relation to the decision of the Full Federal Court. The High Court heard the appeal on 9 April 2015, and judgment is expected in the first half of 2015. AusNet Services continues to believe that the fees imposed under Section 163AA are deductible.

(ii) Intellectual Property

During September 2011 and October 2011, the ATO issued amended assessments to AusNet Services in respect of the 2001 to 2010 income years, disallowing deductions claimed in respect of intellectual property in each of those income years. Under the amended assessments, the amount payable is A\$44 million (representing A\$27.4 million of primary tax, plus an interest and administrative penalty component of A\$16.6 million).

In November 2011, AusNet Services lodged notices of objection in relation to the amended assessments issued, with AusNet Services making a part-payment of A\$17.1 million. A general interest charge continues to accrue in respect of unpaid tax under the payment arrangement, in addition to the total amount disclosed on the amended assessments. As at 31 March 2015, the total amount in dispute for intellectual property deductions, including additional accrued interest on the unpaid portion of the amended assessments, is A\$53.4 million.

AusNet Services lodged a notice of appeal and other documents in the Federal Court. The Federal Court delivered judgment in favour of AusNet Services on 25 March 2014. The ATO subsequently lodged a notice of appeal in the Federal Court on 15 April 2014.

The ATO appeal was heard in the Full Court of the Federal Court in November 2014. On 6 May 2015, the Full Court allowed the ATO appeal in respect of the pre-tax consolidation years, being 1998 to October 2005. The Federal Court's decision to remit the A\$2.3 million penalty imposed in respect of this period was not overturned. In relation to the post-tax consolidation years (being October 2005 to 2011), the Full Court ordered that the matter be remitted back to the primary judge of the Federal Court for further hearing and determination.

In light of this judgment from the Full Court, and the significant uncertainty that has arisen, AusNet Services has recognised an A\$84.1 million tax charge for the year ended 31 March 2015. This represents the net exposure of the total dispute, after taking into account the deductibility of the interest component and excluding the A\$2.3 million of penalties.

(b) Other

AusNet Services is involved in various other legal and administrative proceedings and various claims on foot, including two smaller bushfire class actions relating to fires that occurred in February 2014. In the opinion of AusNet Services, the ultimate resolution of these matters should not have a material effect on the combined financial position, results of operations or cash flows.

(c) Prior year contingent liabilities

As at 31 March 2014, the Kilmore East and Murrindindi bushfire litigation proceedings were considered to be contingent liabilities. During the year ended 31 March 2015, both matters were settled and as such are no longer contingent liabilities, with AusNet Services' share of each settlement being fully covered by insurance. Both settlements were reached without admission of liability by AusNet Services or any other party.

39 Discontinued operations

On 3 January 2014, following approval by Australia's Foreign Investment Review Board, the Group divested 60 per cent of its shareholding in SGSPAA and 19.9 per cent of the 51 per cent security holding in AusNet Services.

	Group 2014 \$ million
Results of discontinued operations	
Revenue*	3,122.5
Expenses*	(2,351.4)
Results from operating activities	771.1
Tax	(280.8)
Results from operating activities, net of tax	490.3
Sale of discontinued operations	
Gain on sale of discontinued operations	653.4
Realised currency translation loss and hedging loss	(741.1)
Transaction costs	(58.0)
Net loss on sale of discontinued operations	(145.7)
Profit from discontinued operations, net of tax	344.6
Exceptional items	
- Impairment loss on intangible assets	—
- Impairment loss on investment in associates and joint venture	—
- Gain on derivatives used for economic hedge	129.0
Total profit from discontinued operations, net of tax	473.6
Total profit from discontinued operations, net of tax attributable to:	
Owner of the Company	391.6
Non-controlling interests	82.0
Total profit from discontinued operations, net of tax	473.6
Cash flows from discontinued operations	
Net cash from operating activities	1,702.9
Net cash from investing activities	2,441.1
Net cash from financing activities	(1,285.6)
Net cash flows for the year	2,858.4

* Revenue comprises revenue, other income and share of profit/losses of joint venture and associates;
 Expenses comprise total operating expenses and net finance cost.

The gain on derivatives used for economic hedge amounting to \$129.0 million arose from the foreign exchange contracts entered into by the Group to mitigate the foreign exchange risk on the consideration from the divestment. The Group has not designated the derivatives as hedging instruments in a hedge accounting relationship. These derivatives were entered into and matured within the financial year.

Effect of disposal on the balance sheet of the Group

	Note	Group 2014 \$ million
Property, plant and equipment	4	15,311.9
Intangible assets	5	2,783.6
Associates and joint venture		1,231.4
Other non-current assets		899.1
Inventories		107.6
Trade and other receivables		638.1
Cash and cash equivalents		36.5
Bank loans		(2,519.1)
Debt obligations		(8,731.5)
Other financial liabilities		(410.5)
Other non-current liabilities		(398.3)
Deferred tax liabilities	9	(406.3)
Trade and other payables		(708.8)
Current tax liabilities		(80.6)
Net assets and liabilities		7,753.1
Less: Non-controlling interests		(1,630.5)
Net assets disposed		6,122.6
Consideration received, satisfied in cash		3,521.2
Cash and cash equivalents disposed of		(36.5)
Net cash inflow		3,484.7

40 Dividends

	Group and Company 2015 \$ million	2014 \$ million
Declared and paid during the financial year		
Dividends on ordinary shares		
- Final exempt (one-tier) dividend for 2015: 12.7 cents (2014: 8.8 cents) per share	370.0	345.0

41 Regulatory reset

In March 2015, SP PowerAssets Limited, SP Cross Island Tunnel Trust and PowerGas Limited received the regulatory price determination from Energy Market Authority for the early commencement of the next regulatory period from 1 April 2015 to 31 March 2020.

42 Comparative figures

The financial statements for the year ended 31 March 2014 were audited by another firm of Chartered Accountants.

43 Subsequent events

On 4 June 2015, the Supreme Court of Victoria approved AusNet Services' (AusNet) proposal to restructure the business under a new entity AusNet Services Ltd.

Based on the AusNet Services Restructure Proposal (Proposal) dated 22 April 2015, the underlying business and assets of AusNet will not change. The restructure would result in an increase in the tax base of certain assets of AusNet upon tax consolidation, and a cancellation of tax losses. AusNet expects a one-off increase in its net profit after tax in the financial year in which the Proposal is implemented.

However, the financial effect cannot be fully established at this point of time as AusNet expects further detailed engagement with the Australian Tax Office.

