BERGER INTERNATIONA LIMITED

Report of the Directors

The directors present their report together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2015.

1 DIRECTORS

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

Jalaj Ashwin Dani
Gerald Loong SieKiong
Jayesh Merchant
Rajan Menon
Ronnie Teo Heng Hock

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 Directors' interest in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of director and company in which interest is held	Shareholdings registered in name of director		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
Ultimate holding company Asian Paints Limited - Ordinary shares				
Jalaj Ashwin Dani	1,580,820	1,580,820	753,550	753,550

During the year ended 31 March 2014, the face value of the ordinary shares of Asian Paints Limited was sub-divided from Rs.10 to Rs. 1.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, 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 other benefits as disclosed in the consolidated financial statements. Certain directors received remuneration from related corporations in their capacity as executives of those related corporations.

5 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) Unissued shares under option and options exercised

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option. During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

6 AUDITORS

The auditors, Deloitte &Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Jalaj Ashwin Dani

Chairman

Jayesh Merchant

Director

5 May 2015

Statement of Directors

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 7 to 83are 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 of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended and at the date of this statement, on the basis of continued financial support from the immediate holding company as explained in Note 1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Jalaj Ashwin Dani

Chairman

Jayesh Merchant

Director

5 May 2015

Independent Auditors' Report

To the member of Berger International Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Berger International Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2015, and the consolidatedstatement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flowsof the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 83.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide 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.

Auditors' Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position 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 2015and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP

Public Accountants and Chartered Accountants

Singapore

5 May 2015

Statement of Financial Position

31st March, 2015

	Note	Group		Company	
		31 March 2015 $'000	31 March 2014 $'000	31 March 2015 $'000	31 March 2014 $'000
ASSETS					
Current assets					
Cash and bank balances	7	13,502	8,913	542	455
Trade receivables	8	35,873	30,195	1,393	1,231
Finance lease receivables		51	31	-	-
Other receivables andprepayments	9	4,581	1,885	2,874	33
Inventories	10	30,270	17,647	-	-
Total current assets		**84,277**	**58,671**	**4,809**	**1,719**
Non-current assets					
Loan to subsidiary	5	-	-	2,000	1,000
Held-to-maturity financial assets	11	167	-	-	-
Finance lease receivables		27	29	-	-
Subsidiaries	12	-	-	62,261	36,107
Retirement benefit assets	13	2,657	1,890	-	-
Property, plant and equipment	14	24,711	10,242	6	8
Intangible assets	15	28,574	535	-	-
Deferred tax assets	16	232	435	-	-
Total non-current assets		**56,368**	**13,131**	**64,267**	**37,115**
Total assets		**140,645**	**71,802**	**69,076**	**38,834**

Statement of Financial Position (Contd.)

31st March, 2015

	Note	Group		Company	
		31 March 2015 $'000	31 March 2014 $'000	31 March 2015 $'000	31 March 2014 $'000
LIABILITIES ANDNET EQUITY (CAPITAL DEFICIENCY)					
Current liabilities					
Short-term borrowings	17	59,442	28,100	57,812	28,100
Trade payables and accruedliabilities	18	26,322	21,970	1,614	1,508
Other payables	19	4,001	910	15,460	14,886
Income tax payable		2,280	505	151	60
Provisions	20	469	440	-	-
Current portion of financeleases		29	23	-	-
Total current liabilities		**92,543**	**51,948**	**75,037**	**44,554**
Non-current liabilities					
Finance leases		150	24	-	-
Deferred tax liabilities	16	7,555	747	406	406
Retirement benefit liabilities	13	3,491	3,260	-	-
Total non-current liabilities		**11,196**	**4,031**	**406**	**406**
Capital, reserves and non-controlling interests					
Share capital	21	35,921	36,749	35,921	36,749
Statutory reserve	22	802	786	-	-
Capital reserve	23	1,038	1,038	-	-
Foreign currency translationreserve		(11,259)	(14,068)	-	-
Accumulated losses		(7,586)	(12,739)	(42,288)	(42,875)
Equity attributable to owners of the Company		18,916	11,766	(6,367)	(6,126)
Non-controlling interests		17,990	4,057	-	-
Net equity (capital deficiency)		**36,906**	**15,823**	**(6,367)**	**(6,126)**
Total liabilities and net equity (capital deficiency)		140,645	71,802	69,076	38,834

See accompanying notes to financial statements.

Consolidated Statment of Profit or Loss and Other Comprehensive Income

Year ended 31st March 2015

		Group	
	Note	**2015 $'000**	2014 $'000
Revenue	24	135,239	120,490
Other operating income	25	1,308	635
Changes in inventories of finished goods and work-in-progress		2,791	811
Raw materials and consumables used		(76,148)	(66,337)
Manufacturing expenses		(3,646)	(3,551)
Sub-contracting costs and cost of sundry sales		(4,220)	(2,858)
Employee benefits expense	26	(24,348)	(22,937)
Depreciation expense		(1,965)	(1,651)
Amortisation of intangible assets		(27)	-
Other operating expenses	27	(21,649)	(18,612)
Other gains		5	4
Finance costs	28	(423)	(307)
Profit before income tax		**6,917**	**5,687**
Income tax	29	(1,071)	(1,076)
Profit for the year	30	**5,846**	**4,611**
Profit attributable to:			
Owners of the Company		4,815	4,096
Non-controlling interests		1,031	515
		5,846	**4,611**

See accompanying notes to financial statements.

Consolidated Statment of Profit or Loss and Other Comprehensive Income (Contd.)

Year ended 31st March 2015

	Note	Group	
		2015 $'000	2014 $'000
Other comprehensive income (loss):			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation	13	1,136	(1,236)
Income tax relating to remeasurement of defined benefit obligation		(293)	320
		843	**(916)**
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		3,153	1,056
Other comprehensive income for the year, net of tax		3,996	140
Total comprehensive income for the year		9,842	4,751
Total comprehensive income attributable to:			
Owners of the Company		7,978	4,975
Non-controlling interests		1,864	(224)
		9,842	**4,751**

See accompanying notes to financial statements.

Statement of Changes in Equity

Year ended 31st March 2015

Group	Share capital $'000	Statutory reserve $'000	Capital reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Balance at 1 April 2013	36,749	786	1,038	(15,364)	(16,127)	7,082	4,472	11,554
Total comprehensive income for the year								
Profit for the year	-	-	-	-	4,096	4,096	515	4,611
Other comprehensive income	-	-	-	1,296	(417)	879	(739)	140
Total	-	-	-	**1,296**	**3,679**	**4,975**	**(224)**	**4,751**
Transactions with owners, recognised directly in equity								
Dividends to non-controlling shareholders	-	-	-	-	-	-	(191)	(191
Dividends to owners of the Company (Note 34)	-	-	-	-	(291)	(291)	-	(291
Balance at 31 March 2014	36,749	786	1,038	(14,068)	(12,739)	11,766	4,057	15,823

Statement of Changes in Equity (Contd.)

Year ended 31st March 2015

Group (cont'd)		Share capital $'000	Statutory reserve $'000	Capital reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Total comprehensive income for the year									
Profit for the year		-	16	-	-	4,799	4,815	1,031	5,846
Other comprehensive income		-	-	-	2,809	354	3,163	833	3,996
Total -	**16**	**-**	**2,809**	**5,153**	**7,978**	**1,864**	**9,842**	**1,864**	**9,842**
Transactions with owners, recognised directly in equity									
Non-controlling interest arising from acquisition of a subsidiary (Note 35)		-	-	-	-	-	-	12,192	12,192
Dividends to non-controlling shareholders		-	-	-	-	-	-	(123)	(123)
Capital reduction (Note 21)		(828)	-	-	-	-	(828)	-	(828)
Balance at 31 March 2015		35,921	802	1,038	(11,259)	(7,586)	18,916	17,990	36,906

See accompanying notes to financial statements.

Statement of Changes in Equity (Contd.)

Year ended 31st March 2015

Company	Share capital $'000	Accumulated losses $'000	Total $'000
Balance at 1 April 2013	**36,749**	**(46,604)**	**(9,855)**
Profit for the year, representing total comprehensive income for the year	-	4,020	4,020
Transactions with owners, recognised directly in equity			
Dividends (Note 34)	-	(291)	(291)
Balance at 31 March 2014	36,749	(42,875)	(6,126)
Profit for the year, representing total comprehensive income for the year	-	587	587
Transactions with owners, recognised directly in equity			
Capital reduction (Note 21)	(828)	-	(828)
Balance at 31 March 2015	**35,921**	**(42,288)**	**(6,367)**

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year ended 31st March, 2015

	Group	
	2015 $'000	2014 $'000
Operating activities		
Profit before income tax	6,917	5,687
Adjustments for:		
Depreciation expense	1,965	1,651
Amortisation of intangible assets	27	-
Interest expense	423	307
Net foreign exchange (gain) loss	(312)	1,196
Gain on disposal of property, plant and equipment	(38)	(89)
Allowance for (Reversal of) obsolete inventories	640	(37)
Allowance for doubtful receivables	1,340	476
Retirement benefits	963	727
Provision for warranties	36	41
Operating cash flows before working capital changes	11,961	9,959
Trade receivables	(3,484)	(2,615)
Other receivables and prepayments	(207)	(181)
Finance lease receivables	(18)	(11)
Inventories	(3,679)	(2,116)
Trade payables and accrued liabilities	2,497	1,319
Other payables	251	209
Contribution or benefits paid for retirement benefits	(455)	(331)
Cash generated from operations	6,866	6,233
Interest paid	(423)	(307)
Income tax paid	(858)	(733)
Net cash from operating activities	**5,585**	**5,193**
Investing activities		
Acquisition of subsidiary (Note 35)	(24,303)	-
Deposits for purchase of land in Indonesia	(2,274)	-
Proceeds from disposal of property, plant and equipment	140	129
Purchase of property, plant and equipment	(4,194)	(1,922)
Net cash used in investing activities	**(30,631)**	**(1,793)**

Consolidated Statement of Cash Flows (Contd.)

Year ended 31st March, 2015

	Group	
	2015 $'000	2014 $'000
Financing activities		
Capital reduction (Note 21)	(828)	-
Dividends paid	(1,613)	(482)
Repayment of short-term borrowings	-	(797)
Proceeds from short-term borrowings	29,712	-
Repayment of finance lease obligations	(21)	(21)
Net cash from (used in) financing activities	**27,250**	**(1,300)**
Net increasein cash and cash equivalents	2,204	2,100
Cash and cash equivalents at beginning of year	8,913	6,966
Net effect of exchange rate changes	755	(153)
Cash and cash equivalents at end of year (Note a)	**11,872**	**8,913**
Notes to consolidated statement of cash flows:		
(a) Cash and cash equivalents in the consolidated statement of cash flows comprise the following statement of financial position amounts:		

	Group	
	2015 $'000	2014 $'000
Cash and bank balances (Note 7)	13,502	8,913
Secured bank overdrafts (Note 17)	(286)	-
Unsecured bank overdrafts (Note 17)	(1,344)	-
Cash and cash equivalents	**11,872**	**8,913**

See accompanying notes to financial statements.

Notes to Financial Statements

31st March, 2015

1 GENERAL

The Company (Registration No. 199307986G) is incorporated in Singapore with its principal place of business and registered office at 22 Benoi Sector, Singapore 629854. The financial statements are expressed in Singapore dollars.

The principal activities of the Company are those of investment holding and management.

The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

At the end of the reporting period, the Group has net working capital deficiency of $8,266,000 (2014 : net working capital of $6,723,000) and the Company has net working capital deficiency of $70,228,000 (2014 : $42,835,000). In addition, the Company hasa capital deficiency of $6,367,000 (2014 :$6,126,000).However, the financial statements have been prepared on a going concern basis as together with the immediate holding company's commitment to provide continued financial support for a period of 12 months from the date of the financial statements for banking facilities extended to the Company and the unutilised banking facilities of certain subsidiaries in the Group, the directors are of the view that the Group and the Company will be able to meet their obligations as and when they fall due for a period of one year from the date of the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2015were authorised for issue by the Board of Directors on5 May 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102Share-based Payments, leasing transactions that are within the scope of FRS 17Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2Inventories or value in use in FRS 36Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On 1 April 2014, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/ revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current and prior years except as disclosed below:

New and revised standards on consolidation, joint arrangements, associates and disclosures

In September 2011, a package of five standards on consolidation, joint arrangements, associates and joint ventures and disclosures was issued comprising FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements, FRS 112

Disclosure of Interests in Other Entities, FRS 27 (as revised in 2011) Separate Financial Statements and FRS 28 (as revised in 2011) Investments in Associates and Joint Ve n t u r e s . Subsequent to the issue of these standards, amendments to FRS 110, FRS 111 and FRS 112 were issued to clarify certain transitional guidance on the first-time application of these standards.

In the current year, the Group has applied for the first time FRS 110, FRS 111, FRS 112, FRS 27 (as revised in 2011) and FRS 28 (as revised in 2011) together with the amendments to FRS 110, FRS 111 and FRS 112 regarding the transitional guidance.

Impact of the application of FRS 110

FRS 110 replaces the parts of FRS 27 that deal with consolidated financial statements and INT FRS 12 Consolidation – Special Purpose Entities. FRS 110 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) it has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in FRS 110 to explain when an investor has control over an investee. Some guidance included in FRS 110 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

Management reassessed the control conclusion for its investees at 1 April 2014 in accordance with FRS 110 and concluded that there is no other investee for which the Group has control over, other than those already accounted for as subsidiaries as at 1 April 2014.

Impact of the application of FRS 112

FRS 112 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of FRS 112 has resulted in more extensive disclosures in the consolidated financial statements (please see Note 12 for details).

At the date of authorisation of these financial statements, the following FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- Amendments to FRS 19 (2011) Defined Benefit Plans: Employee Contributions1
- FRS 109 Financial Instruments 4
- FRS 115 Revenue from Contracts with Customers 3
- Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative 2
- Amendments to FRS 27 Separate Financial Statements: Equity Method in Separate Financial Statements 2
- Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation 2
- Improvements to Financial Reporting Standards (January 2014) 1
- Improvements to Financial Reporting Standards (February 2014) 1
- Improvements to Financial Reporting Standards (November 2014) 2

[1]Applies to annual periods beginning on or after 1 July 2014, with early application permitted.

[2]Applies to annual periods beginning on or after 1 January 2016, with early application permitted.

[3]Applies to annual periods beginning on or after 1 January 2017, with early application permitted.

[4]Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

Amendments to FRS 19 (2011) Defined Benefit Plans: Employee Contributions

The amendments permit contributions that are independent of the number of years of service to be recognised as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to periods of service. Other contributions by employees or third parties that are not solely linked to current year service are required to be attributed to periods of service either using the plan's contribution formula or on a straight-line basis.

Management is currently evaluating the impact of the new amendment.

FRS 115 Revenue from contracts with customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management is currently evaluating the impact of the application of FRS 115.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and

- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's financial statements, investment in subsidiaries is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 Financial Instruments: Recognition and Measurement, or FRS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 Income Taxes and FRS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.Income or expense is recognised on an effective interest rate basis for debt instruments.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Held-to-maturity investments

Bonds with fixed or determinable payments and fixed maturity dates where the Group has a positive intent and ability to hold to maturity are classified as held-to-maturity investments. Subsequent to initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assetswith the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payable when the recognition of interest would be immaterial.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES - Inventories are measured at the lower of cost (weighted average method) and net realisable value. Cost includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment is stated at cost or valuation less accumulated depreciation and any accumulated impairment losses. As permitted by FRS 16 Property, Plant and Equipment, the Group is not required to revalue its assets in accordance with the requirements of FRS 16 as the Group had performed a one-off revaluation on its property, plant and equipment between 1 January 1984 and 31 December 1996 as disclosed in Note 14 to the financial statements.

Depreciation is charged so as to write-off the cost or valuation of assets, other than freehold land, over their estimated useful lives using the straight-line method. The annual rates of depreciation are as follows:

Freehold buildings	-	2%
Leasehold land and buildings	-	over terms of lease which are 2% to 20%
Plant and equipment	-	8% to 25%
Motor vehicles	-	20% to 25%

Depreciation is not provided on freehold land.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranties

Provisions for warranty costs are recognised at the date of sale of the relevant products, based on management's best estimate of the expenditure required to settle the Group's obligation.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from contracts to provide services is recognised as and when the services are delivered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

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Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Royalties

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

EMPLOYEE BENEFITS

(a) Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(b) Defined benefit pension plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position representsthe actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(c) Other post-retirement obligations

One of the overseas subsidiaries also provides health benefits to the qualifying employees upon retirement. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. In addition, certain overseas subsidiaries also provide leaving indemnity plan benefits to the qualifying employees based on last drawn basic salary at the time of leaving of the overseas subsidiaries in accordance with the local labour laws. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for the defined benefit pension plans.

(d) Employee leave entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted, in countries where the Company and the subsidiaries operate, by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of assets and liabilities acquired in a business combination

Determining the fair value of assets and liabilities acquired in a business combination requires the use of valuation methods. The valuation methods include the use of estimates such as the expected realisable value of the inventories, estimated values of the brands and distribution network, other intangible assets and the fair value of property, plant and equipment. Changes in these estimates may affect the value of the assets acquired. The fair values of assets and liabilities acquired in a business combination are disclosed in Note 35.

Impairment of goodwill and investments in subsidiaries

Determining whether goodwill and investments in subsidiaries are impaired requires an estimation of the value-in-use of the investments and the cash-generating units to which the goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at the end of the reporting period was $13,443,000 (2014 : $505,000). No impairment loss has been recognised for the current and prior years.

The carrying amount of investments in subsidiaries in the Company's financial statements at the end of the reporting period was $62,261,000 (2014 : $36,107,000). No impairment loss has been recognised for the current and prior year.

The basis for assessing impairment of investments in subsidiaries and goodwill is described in Notes 12 and 15 to the financial statements respectively.

Impairment and amortisation of other intangible assets

Other intangible assets are amortised on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and the useful life of the other intangible assets and if the expectation differs from the original estimate, such difference may impact the amount amortised in the year the estimate is changed and the future period. The Group also reviews the carrying amount of recorded intangible assets annually to determine if there is any indication of impairment and if so, the extent of such impairment loss. The assessment of impairment loss includes the consideration of factors including market and economic environment in which the business operates, economic performance of the entities, projection of revenue from the types of products and the discount rates applied. The Group has assessed that there is no indication that the recorded intangible assets are impaired. The carrying amount of other intangible assets at the end of the reporting period was $15,131,000 (2014 : $30,000).

Allowances for doubtful debts

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

The carrying amounts of trade and other receivables are disclosed in Notes 8 and 9 to the financial statements respectively.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. In addition, the Group conducts physical counts on its inventories on a periodic basis in order to determine whether an allowance is required to be made. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

The carrying amount of inventories is disclosed in Note10 to the financial statements.

Defined benefit pension plan, post-retirement medical liabilities and leaving indemnity liabilities

As disclosed in Note 13, certain subsidiaries in the Group operate defined benefit pension plans and provide post-retirement medical benefits and leaving indemnity benefits. The amounts shown in the statement of financial position are subject to estimates in respect of periodic costs which are dependent on returns on assets, future discount rates, rates of salary increases and inflation rate in respect of the pension plan, and rates of increases in medical costs for the post-retirement medical plan.

The estimated return on pension assets assumption is determined by considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The Group estimates the appropriate discount rate annually which is used to determine the present value of estimated cash outflows required to settle the pension and post-retirement benefit obligation.

To determine the appropriate discount rate in the absence of high quality corporate bonds, the interest rate on government bonds that have maturities approximating the related pension liabilities were considered.

The expected increase in medical costs was determined by comparing the historical relationship of actual medical cost increases with the rate of inflation in the country where a subsidiary operates post-retirement medical plan. Current market conditions also impact the assumptions outlined above.

Provision for warranty

Provision for warranty relates mainly to sales of paints used in decorative contracts and protective coating during the year.The provision is made on the estimates of the Group's liability based on historical defects claims data associated with similar products.

The carrying amount of provision for warranty is disclosed in Note 20 to the financial statements.

Useful lives of property, plant and equipment

As described in Note 2, the Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the financial year, the management determined that there were no change to the useful lives and residual values of the property, plant and equipment.

The carrying amount of property, plant and equipment is disclosed in Note 14 to the financial statements.

Notes to Financial Statements

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Financial assets				
Amortised cost				
Held-to-maturity financial assets	167	-	-	-
Loans and receivables (including cash and cash equivalents)	**53,035**	**40,393**	**6,525**	**2,719**
Financial liabilities				
Amortised cost	**89,944**	**51,027**	**74,886**	**44,494**

(b) Financial risk management policies and objectives

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The management provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk, use of derivative financial instruments and investing excess cash. Periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Group does not hold or issue derivative financial instruments for speculative purposes.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group transacts business in various foreign currencies, including the United States dollar, British pound, Bahraini dinar and United Arab Emirates dirham.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies, other than the respective Group entities' functional currencies, which are most commonly used are as follows:

	Group			
	Assets		Liabilities	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
US dollar	6,362	2,837	(10,488)	(7,728)
British pound	-	-	(15,208)	(12,413)
Bahraini dinar	131	120	(468)	(1,405)
UAE dirham	7,164	6,478	(299)	(194)

	Company			
	Assets		Liabilities	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
US dollar	2,749	62	(264)	(56)
British pound	-	-	(15,186)	(12,413)
Bahraini dinar	130	120	-	(1,405)
UAE dirham	7,164	6,478	(51)	-

The Company has a number of investments in overseas subsidiaries, whose net assets are exposed to currency translation risk. The Company does not hedge this exposure.

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 5% represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss before tax and other equity.

If the relevant foreign currency weakens by 5% (2014: 5%) against the functional currency of each group entity with all other variables being held constant, the profit before tax and other equity will increase (decrease) by:

Group	US Dollar impact		British Pound impact		Bahraini Dinar impact		UAE Dirham impact	
	2015 $ '000	2014 $ '000	2015 $ '000	2014 $ '000	2015 $ '000	2014 $ '000	2015 $ '000	2014 $ '000
Profit or loss	206	245	760	621	17	64	(29)	(26)
Other equity	-	-	-	-	-	-	(314)	(288)
Company								
Profit or loss	(124)	-	759	621	(7)	64	(356)	(324)

If the relevant foreign currency strengthens by 5% (2014 : 5%) against the functional currency of each group entity with other variables being held constant, the profit before tax and other equity will decrease (increase) by the same amount.

(ii) Interest rate risk management

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Summary quantitative data of the Group's interest-bearing financial instruments can be found in Section (iv) of this note.

The Company and the Group are exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's and Company's profit before tax for the year ended31 March 2015 would decrease/increase by $181,000 and $181,000(2014 : $144,000 and $142,000) respectively. This is mainly attributable to the Group's and Company's exposures to interest rates on the variable rate borrowings.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Financial assets that potentially subject the Group to credit risk consist principally of cash and bank balances, held-to-maturity financial assets and trade and other accounts receivables. The management believes that the financial risks associated with these financial instruments are minimal.

The Group places its cash and bank balances with high credit quality institutions.

The Group performs on-going credit evaluation of its debtors' financial condition and maintains an allowance for doubtful accounts receivable based upon the expected collectability of all accounts receivables. There is no significant concentration of credit risk as the exposure is spread over a large number of counterparties and customers, except for onecustomer which represents approximately 7% (2014:8%) of total trade receivables at the end of the reporting period(Note 8).

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Notes 8 and 9 respectively.

(iv) Liquidity risk management

Liquidity risk, also referred to as funding risk, is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset in a relatively short period of time at, or close to, its fair value.

At the end of the reporting period, the Group has net working capital deficiency of $8,266,000 (2014 : net working capital of $6,723,000) and the Company has net working capital deficiency of $70,228,000 (2014 : $42,835,000). In addition, the Company has a capital deficiency of $6,367,000 (2014 : $6,126,000).The liquidity risk of the Group and the Company is mitigated by optimum cash levels being maintained, availability of funding through an adequate quantum of credit facilities and the financial support from the immediate holding company as described in Note 1 above. Undrawn facilities are disclosed in Note 17.

Liquidity and interest risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective nterest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Group						
2015						
Non-interest bearing	-	30,323	-	-	-	30,323
Finance lease liability (fixed rate)	8.69	44	84	186	(135)	179
Variable interest rate instruments	1.23	59,640	-	-	(198)	59,442
		90,007	**84**	**186**	**(333)**	**89,944**
2014						
Non-interest bearing	-	22,880	-	-	-	22,880
Finance lease liability (fixed rate)	3.97	34	17	-	(4)	47
Variable interest rate instruments	0.88	28,162	-	-	(62)	28,100
		51,076	**17**	**-**	**(66)**	**51,027**

Notes to Financial Statements

31st March, 2015

Company	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustmen $'000	Total $'000
2015						
Non-interest bearing	-	17,074	-	-	-	17,074
Variable interest rate instruments	1.01	58,010	-	-	(198)	57,812
		75,084	**-**	**-**	**(198)**	**74,886**
2014						
Non-interest bearing	-	16,394	-	-	-	16,394
Variable interest rate instruments	0.88	28,162	-	-	(62)	28,100
		44,556	**-**	**-**	**(62)**	**44,494**

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 o 5 years $'000	Adjustment $'000	Total $'000
Group					
2015					
Non-interest bearing	-	52,902	-	-	52,902
Variable interest rate instruments	4.88	55	-	-	55
Fixed interest rate instruments	8.31	92	198	(45)	245
		53,049	**198**	**(45)**	**53,202**

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	Adjustment $'000	Total $'000
Group					
2014					
Non-interest bearing	-	40,333	-	-	40,333
Fixed interest rate instruments	10.86	82	40	(62)	60
		40,415	**40**	**(62)**	**40,393**
Company					
2015					
Non-interest bearing	-	4,525	-	-	4,525
Variable interest rate instruments	1.07	-	2,000	-	2,000
		4,525	**2,000**	**-**	**6,525**
2014					
Non-interest bearing	-	1,719	-	-	1,719
Variable interest rate instruments	0.88	-	1,000	-	1,000
		1,719	**1,000**		**2,719**

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade receivables, other current financial assets, short-term borrowings, trade payables and other current financial liabilities approximate their respective fair values due to the short-term maturity of these financial assets and liabilities. For other classes of financial assets and liabilities, management considers that the carrying amounts approximate their fair values.

(c) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance and to ensure that all externally imposed covenants are complied with.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Notes 17 and equity attributable to owners of the Company, comprising issued capital, reserves and accumulated losses as presented in the statements of changes in equity. The Company is required to remain at least 50.1% owned directly or indirectly by its current ultimate holding company. In accordance with the local regulations of Bahrain, United Arab Emirates and Ethiopia, transfers to statutory reserve are required to be made at a rate of 10% of net income for Bahrain and United Arab Emirates and 5% of net income for Ethiopia. No further transfer is required when the reserve reaches 50% of the issued capital for Bahrain and United Arab Emirates and 20% of the issued share capital for Ethiopia. The statutory reserve is not available for distribution, except in the circumstances stipulated in the regulations. The Group is in compliance with externally imposed capital requirements for the financial years ended 31 March 2015and 2014.

The Group's Board of Directors reviews the capital structure on a yearly basis and balances the Group's overall capital structure through the approval of funding requirements.

The Group's overall strategy remains unchanged from prior year.

5 HOLDING COMPANIES AND RELATED COMPANY TRANSACTIONS

The Company's immediate and ultimate holding companies are Asian Paints (International) Limited, incorporated in Mauritius, and Asian Paints Limited, incorporated in India, respectively. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the Group and related companies and the effect of these, on the basis determined between the parties, is reflected in these financial statements.The intercompany balances are unsecured, interest-free and repayable on demand except for the loan to subsidiary of $2 million (2014 : $1 million) which bears interest at the average effective rate of1.07% (2014 : 0.88%) per annum and is repayable in April 2016 (2014 : April 2015).

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related companies are disclosed below.

During the year, Group entities entered into the following transactions with related companies that are not members of the Group:

	Ultimate holding company		Related companies	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Sales of goods	-	-	1,152	1,354
Purchase of goods	516	874	387	259
Royalty expense	741	573	-	-
Royalty income	-	-	**200**	**164**

6 OTHER RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these, on the basis determined between the parties, is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2015 $'000	2014 $'000
Short-term benefits	2,468	2,896
Post-employment benefits	76	89
	2,544	**2,985**

7 CASH AND BANK BALANCES

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Cash at bank and on hand	13,502	8,913	542	455

8 TRADE RECEIVABLES

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Outside parties	42,937	35,311	18	12
Less: Allowance for doubtful trade receivables	(7,472)	(5,817)	-	-
	35,465	29,494	18	12
Subsidiaries (Notes 5 and 12)	-	-	1,165	1,056
Related companies (Note 5)	408	701	210	163
	35,873	**30,195**	**1,393**	**1,231**

The credit period on sale of goods ranges from 30to 180days (2014 : 30 to 180 days). The Group has made full allowance for all receivables over 365 days because historical experience is such that receivables that are due beyond 365 days are generally not recoverable. Trade receivables below 365 days are provided for based on estimated irrecoverable amounts from the sales of goods, determined by reference to past default experience.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits are reviewed on an ongoing basis. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the period, $3,121,000 (2014 : $2,900,000) is due from the Group's largest customer which represents approximately 7% (2014 : 8%) of total trade receivables at the end of the reporting period. There are no other customers who represent more than 5% of the total balance of trade receivables.

Included in the Group's trade receivables balance are debtors with a carrying amount of $9,758,000 (2014 : $8,227,000) which are past due at the end of the reporting period for which the Group has not provided as there has not been a significant change in credit quality and the amounts are all considered recoverable. The Group does not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Accordingly, management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The table below is an analysis of trade receivables at the end of the reporting period:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Not past due and not impaired (i)	26,115	21,968	1,393	1,231
Past due but not impaired (ii)	9,758	8,227	-	-
	35,873	**30,195**	**1,393**	**1,231**
Impaired receivables - individually assessed (iii)				
- 6 months to 12 months and no response to repayment demands	4,310	3,208	-	-
- More than 12 months and no response to repayment demands	3,162	2,609	-	-
Less: Allowance for impairment	(7,472)	(5,817)	--	--
Total trade receivables, net	**35,873**	**30,195**	**1,393**	**1,231**

(i) Trade receivables that are neither past due nor impaired related to customers that the Group has assessed to be creditworthy, based on the credit evaluation process performed by management. Accordingly, management believes that no allowance for doubtful debts is required.

(ii) Aging of receivables that are past due but not impaired:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
< 3 months	7,528	6,189	-	-
3 months to 6 months	1,792	1,447	-	-
6 months to 12 months	438	591	-	-
	9,758	**8,227**	-	-

(iii) These amounts are stated before any deduction for impairment losses. These receivables are not secured by any collateral or credit enhancements.

Movements in the allowance for doubtful debts are as follows:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Balance at beginning of year	5,817	5,356	-	-
Currency translation differences	628	15	-	-
Amount written off against allowance	(313)	(30)	-	-
Allowance madeduring the year (Note 30)	1,340	476	-	-
Balance at end of year	**7,472**	**5,817**	-	-

9 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Immediate holding company (Note 5)	22	26	-	26
Ultimate holding company (Note 5)	-	92	-	-
Related companies (Note 5)	79	190	-	-
Subsidiaries (Notes 5 and 12)	-	-	286	6
Deposits	2,592	267	2,294	1
Prepayments	799	484	284	-
Advances to staff	480	379	5	-
Advances to suppliers	200	176	-	-
Outside parties	409	271	5	-
	4,581	**1,885**	**2,874**	**33**

Included in the Group's other receivables balance are debtors with a carrying amount of $21,000 (2014 : $146,000) which are past due at the end of the reporting period for which the Group has not provided as there has not been a significant change in credit quality and the amounts are all considered recoverable. The Group does not hold any collateral over these balances. The age of these receivables ranges from 1 to 90 days (2014 : 1 to 90 days).

10 INVENTORIES

	Group	
	2015 $'000	2014 $'000
Raw materials	18,864	9,032
Work-in-progress	778	774
Finished goods	10,628	7,841
	30,270	**17,647**

The cost of inventories recognised as an expense includes $640,000 in respect of allowance made for inventory obsolescence (2014: $37,000 in respect of the reversal of allowance for obsolete inventories sold above carrying amounts and being consumed in production) (Note 30).

11 HELD-TO-MATURITY FINANCIAL ASSETS

	Group	
	2015 $'000	2014 $'000
Unquoted debt securities, at amortised cost	167	-

The average effective interest rate of the unquoted debt securities is 6% per annum.

As at 31 March 2015, the unquoted debt securities have nominal values amounting to $167,000, with coupon rate at 6% per annum and maturity dates ranging from July 2017 to October 2017.

The fair value of the unquoted debt securities approximates the carrying amount.

12 SUBSIDIARIES

	Company	
	2015 $'000	2014 $'000
Unquoted equity shares at cost	55,977	30,350
Loan to a subsidiary	6,284	5,757
	62,261	**36,107**

During the current financial year, the Company carried out a review of the investments in the subsidiaries and the loan receivable from a subsidiary, having regard to the existing performance of the relevant subsidiaries indicating impairment. No impairment loss resulted from the review. The recoverable amounts were determined on the basis of their value-in-use.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessment of the time value of money and the risks specific to the subsidiaries. The Group prepares its cash flow forecasts based on the most recent financial budgets approved by the Board of Directors with projected revenue growth rates ranging from 7% to 20% (2014 : 6% to 13%) for the next five years and extrapolated cash flows for the following five years based on estimated nil growth rate.

The rates used to discount the forecasted cash flows range from 7% to 19% (2014 :7% to 9%).

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Notes to Financial Statements

31st March, 2015

Details of the subsidiaries as at the end of the reporting period are as follows:

Name of company, country of incorporation and place of operations	Principal activities	Proportion of ownership interest 2015 %	Proportion of ownership interest 2014 %	Proportion of voting power held 2015 %	Proportion of voting power held 2014 %
Berger Paints Singapore Pte Ltd (Singapore)	Manufacture, sale and distribution of paint and related products	100	100	100	100
Kadisco Paint and Adhesive Industry S.C. [1] (Ethiopia)	Manufacture, sale and distribution of paint and related products	51	-	51	-
Enterprise Paints Limited (Isle of Man, United Kingdom)	Investment holding	100	100	100	100
Lewis Berger (Overseas Holdings) Ltd (United Kingdom)	Investment holding	100	100	100	100
Universal Paints Limited (Isle of Man, United Kingdom)	Investment holding	100	100	100	100
PT Asian Paints Indonesia [2] (Indonesia)	Dormant		100	100	-
Subsidiary of Enterprise Paints Limited					
Nirvana Investments Limited (Isle of Man, United Kingdom)	Investment holding	100	100	100	100
Subsidiaries of Lewis Berger (Overseas Holdings) Ltd					
Berger Paints Jamaica Limited (Jamaica)	Manufacture, sale and distribution of paint and related products	51	51	51	51
Berger Paints Trinidad Limited (Trinidad)	Manufacture, sale and distribution of paint and related products	70	70	70	70
Berger Paints Barbados Limited (Barbados)	Manufacture, sale and distribution of paint and related products	100	100	100	100
Subsidiary of Nirvana Investments Limited					
Berger Paints Emirates LLC (United Arab Emirates)	Manufacture, sale and distribution of paint and related products	100	100	100	100
Subsidiary of Universal Paints Limited					
Berger Paints Bahrain W.L.L. (Bahrain)	Manufacture, sale and distribution of paint and related products	100	100	100	100

[1] Acquired during the year.

[2] Newly incorporated during the year. As at 31 March 2015, the subscription of share capital in the subsidiary amounting to US$ 12 million (equivalent to $15 million) has not been made.

Details of non-wholly owned subsidiaries that have material non-controlling interests:

Notes to Financial Statements

31st March, 2015

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2015 %	2014 %	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
Berger Paints Jamaica Limited	Jamaica	49	49	374	331	3,399	2,452
Berger Paints Trinidad Limited	Trinidad	30	30	146	184	1,859	1,605
Kadisco Paint and Adhesive Industry S.C.	Ethiopia	49	-	511	-	12,732	-
Total				**1,031**	**515**	**17,990**	**4,057**

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Berger Paints Jamaica Limited		Berger Paints Trininad Limited		Kadisco Paint and Adhesive Industry S.C.	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
Current assets	8,912	7,756	8,395	6,442	12,006	-
Non-current assets	3,761	2,454	941	926	26,765	-
Current liabilities	(3,902)	(3,165)	(2,986)	(1,782)	(5,741)	-
Non-current liabilities	(1,762)	(1,908)	(44)	(112)	(7,047)	-
Equity attributable to owners of the Company	3,610	2,685	4,447	3,869	13,251	-
Non-controlling interests	3,399	2,452	1,859	1,605	12,732	-
Revenue	21,131	21,377	12,242	12,700	5,933	-
Expenses	(20,367)	(20,702)	(11,756)	(12,086)	(4,888)	-
Profit for the year	764	675	486	614	1,045	-
Profit attributable to owners of the Company	390	344	340	430	534	-
Profit attributable to the non-controlling interests	374	331	146	184	511	-
Profit for the year	764	675	486	614	1,045	-
Other comprehensive income (loss) attributable to owners of the Company	545	(535)	(74)	38	30	-
Other comprehensive income (loss) attributable to the non-controlling interests	523	(514)	(31)	16	28	-
Other comprehensive income (loss) for the year	1,068	(1,049)	(105)	54	58	-
Total comprehensive income (loss) attributable to owners of the Company	935	(191)	266	468	564	-
Total comprehensive income (loss) attributable to the non-controlling interests	897	(183)	115	200	539	-
Total comprehensive income (loss) for the year	1,832	(374)	381	668	1,103	-
Dividends paid to non-controlling interests	(98)	(176)	(25)	(15)	-	-

Net cash inflow (outflow)	Berger Paints Jamaica Limited		Berger Paints Trininad Limited		Kadisco Paint and Adhesive Industry S.C.	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Net cash inflow (outflow) from operating activities	1,384	(746)	275	1,255	1,610	-
from investing activities	(655)	6	(321)	(52)	(77)	-
from financing activities	(185)	(311)	(103)	(62)	(1,497)	-
Net cash inflow (outflow)	**544**	**(1,051)**	**(149)**	**1,141**	**36**	-

13 RETIREMENT BENEFIT ASSETS (LIABILITIES)

Defined benefit plan

Certain overseas subsidiaries operate defined benefit plans for their pensioners. These plans are salary defined benefit plans and are fully funded. The assets of the fund are held separately from those of the subsidiaries in an independently administered fund. The plans are funded by payments from employees and the subsidiaries based on the recommendations of independent qualified actuaries.

Leaving Indemnity plan and Retiree Medical plan

In addition, certain overseas subsidiaries provide Leaving Indemnity Plan benefits based on last drawn basic salary at the time of separation in accordance with the local Labour Laws and medical benefits to employees after retirement. These benefit plans are unfunded.

Actuarial valuations

The above mentioned plans are valued by independent actuaries using the projected unit credit method. The information that follows is extracted from the actuarial reports of the subsidiaries dated 31 March 2015, 24 April 2015, 30 March 2015, 31 March 2015, 31 March 2015 (2014 : 4 April 2014, 1 April 2014, 27 March 2014, 4 March 2014, 1 April 2014). The actuarial valuations were carried out by Rambarran& Associates Limited, Bacon Woodrow & de Souza Limited, Eckler Partners Ltd, Aon Services India Private Ltd and Singhal Associates Private Ltd respectively.

Asset-Liability-Matching

Pensions are secured through the purchase of annuities. The remaining assets are invested in segregated pooled funds. Investments are reviewed on a periodical basis after taking into account the expected payments and contributions to the fund to ensure liquidity to ensure the funds are able to pay pensioners as and when they are due.

The principal actuarial assumptions used for the actuarial valuations were as follows:

	Group	
	2015	2014
Growth rate for medical claim	7.5%	8.0%
Discount rate at end of year	4.5% to 9.5%	4.5% to 9.5%
Future salary increases	4.0% to 12.0%	4.0% to 6.75%
Future pension increases	0.0% to 3.0%	0.0% to 2.5%
Life expectancy (years)	81 to 89	81 to 89

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The defined benefit pension plans as disclosed above are recognised in the financial statements as follows:

	Group			
	Defined Benefits Plan		Leaving Indemnity Plan and Retiree Medical Plan	
	31 March 2015 $'000	31 March 2014 $'000	**31 March 2015 $'000**	31 March 2014 $'000
Amount recognised in statement of financial position:				
Present value of obligations	(23,389)	(21,072)	(3,491)	(3,260)
Fair value of plan assets	26,218	22,962	-	-
	2,829	1,890	(3,491)	(3,260)
Unrecognised asset due to ceiling	(172)	-	-	-
Defined benefits assets (liabilities)	2,657	1,890	(3,491)	(3,260)

	Group			
	Defined Benefits Plan		Leaving Indemnity Plan and Retiree Medical Plan	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Amount (charged) credited in statement of profit or loss:				
Current service cost	(503)	(515)	(296)	(214)
Interest income (cost)	111	212	(275)	(210)
Total included in employee benefits expense in profit or loss	(392)	(303)	(571)	(424)
Actual return on plan assets	1,851	1,917	-	-
Amount (charged) credited in other comprehensive income:				
Loss from change in financial assumptions	-	(522)	-	(285)
Loss from change in demographic assumptions	-	(437)	-	(305)
Gain from change in experience adjustments	724	48	412	265
Total included in other comprehensive income	724	(911)	412	(325)

Movement in net asset (liability) recognised in the statement of financial position:

	Group			
	Defined Benefits Plan		Leaving Indemnity Plan and Retiree Medical Plan	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
At beginning of year	1,890	2,995	(3,260)	(2,823)
Obligations on acquisition of a subsidiary	-	-	(77)	-
Currency translation reserve	188	(77)	(204)	167
Total included in employee benefits expense in profit or loss	(392)	(303)	(571)	(424)
Total included in other comprehensive income	724	(911)	412	(325)
Contributions or benefits paid	247	186	209	145
At end of year	**2,657**	**1,890**	**(3,491)**	**(3,260)**

Changes in the present value of the defined benefit obligation are as follows:

	Group			
	Defined Benefits Plan		Leaving Indemnity Plan and Retiree Medical Plan	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Opening defined benefit obligation	(21,072)	(19,405)	(3,260)	(2,823)
Obligations on acquisitions of a subsidiary	-	-	(77)	-
Current service cost	(503)	(515)	(296)	(214)
Interest cost	(1,507)	(1,383)	(275)	(210)
Actuarial gains (losses)	693	(1,251)	412	(325)
Exchange differences	(1,605)	770	(204)	167
Member contributions	(309)	(281)	-	-
Benefits paid	992	2,551	209	145
Value of purchased annuities	(78)	(1,558)	-	-
Closing defined benefit obligation	**(23,389)**	**(21,072)**	**(3,491)**	**(3,260)**

Changes in the fair value of plan assets are as follows:

	Group	
	Defined Benefits Plan	
	2015 $'000	2014 $'000
Opening fair value of plan assets	22,962	22,400
Interest income on plan assets	1,618	1,595
Actuarial gains	195	340
Contributions by employer	247	186
Exchange differences	1,801	(847)
Member contributions	309	281
Benefits paid	(992)	(2,551)
Value of purchased annuities	78	1,558
Closing fair value of plan assets	**26,218**	**22,962**

The fair value of plan assets at the end of the reporting period is analysed as follows:

	Group	
	Defined Benefits Plan	
	2015 $'000	2014 $'000
Equity funds	8,257	6,740
Fixed income fund	6,293	5,375
Mortgage and real estate fund	3,751	3,304
Foreign exchange fund	1,903	1,498
Value of purchased annuities	3,802	3,420
Other assets	2,212	2,625
	26,218	**22,962**
Changes in the unrecognised asset due to ceiling are as follows:		
Actuarial losses	(164)	-
Exchange differences	(8)	-
Closing unrecognised asset due to ceiling	**(172)**	-

Sensitivity analysis

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all assumptions constant.

If the following assumptions were to be adjusted by the amounts specified, the defined benefit obligation would increase (decrease) by:

	Group							
	Defined Benefits Plan				Leaving Indemnity Plan and Retiree Medical Plan			
	1% increase		1% decrease		1% increase		1% decrease	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
Growth rate for medicalclaim	-	-	-	-	325	382	(258)	(299)
Discount rate at end of year	(2,895)	(2,661)	3,790	3,525	(408)	(419)	501	527
Future salary increases	1,263	1,220	(1,061)	(1,023)	171	150	(151)	(129)
	1 year increase		1 year decrease		1 year increase		1 year decrease	
Life expectancy	387	275	(396)	(279)	55	61	(55)	(61)

The Group expects to contribute approximately $288,000 (2014 :$251,000) to its defined benefit plan, to pay benefits of $58,000 and $60,000 (2014 : $59,000 and $63,000) in respect to its retiree medical plan and leaving indemnity plan respectively in the year ending 31 March 2016.

The weighted average duration of the defined benefit obligation liability is as follows:

- Defined Benefits Plan: 20.9 years (2014 : 21.6 years)
- Retiree Medical Plan: 27 years (2014 : 29.0 years)
- Leaving Indemnity Plan: 12.3 years (2014 : 13.1 years)

Included in the holdings of plan assets is an investment in the Life of Jamaica Equity Fund, which holds 10.4% (2014 : 10.4%) of the issued shares of a subsidiary, Berger Paints Jamaica Limited.

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14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Cost or valuation:						
At 1 April 2013	1,279	2,855	9,029	24,268	860	38,291
Currency translation differences	(35)	(90)	82	(77)	(31)	(151)
Additions	-	269	34	1,411	208	1,922
Disposals/Write offs	-	-	-	(1,182)	(201)	(1,383)
At 31 March 2014	1,244	3,034	9,145	24,420	836	38,679
Currency translation differences	110	262	528	1,648	40	2,588
Additions	-	160	25	3,813	196	4,194
Acquired on acquisition of a subsidiary (Note 35)	-	-	7,861	3,124	595	11,580
Disposals/Write offs	-	-	-	(827)	(156)	(983)
Comprising As at 31 March 2015	**1,354**	**3,456**	**17,559**	**32,178**	**1,511**	**56,058**
At cost	1,354	3,456	15,020	31,429	1,511	52,770
At valuation	-	-	2,539	749	-	3,288
At 31 March 2014	1,354	3,456	17,559	32,178	1,511	56,058
At cost	1,244	3,034	6,606	23,671	836	35,391
At valuation	-	-	2,539	749	-	3,288
	1,244	3,034	9,145	24,420	836	38,679
Accumulated depreciation: At 1 April 2014	-	1,011	7,572	18,900	740	28,223
Currency translation differences	-	(36)	61	(88)	(31)	(94)
Depreciation for the year	-	84	229	1,237	101	1,651
Disposals/Write offs	-	-	-	(1,142)	(201)	(1,343)
At 31 March 2014	-	1,059	7,862	18,907	609	28,437
Currency translation differences	-	96	413	1,287	30	1,826
Depreciation for the year	-	93	299	1,426	147	1,965
Disposals/Write offs	-	-	-	(745)	(136)	(881)
At 31 March 2015	-	1,248	8,574	20,875	650	31,347
Carrying amount:						
At 31 March 2015	1,354	2,208	8,985	11,303	861	24,711
At 31 March 2014	**1,244**	**1,975**	**1,283**	**5,513**	**227**	**10,242**

(i) Motor vehicles of the Group with a carrying amount of $22,000 (2014:$35,000) are held under finance lease agreements.

(ii) The Group's property, plant and equipment include:

- the leasehold land and buildings of a subsidiary revalued by a firm of professional valuers in April 1985 (based on the existing use basis). The increase in net carrying amount arising on revaluation of $53,000 was credited to capital reserve; and
- the leasehold land and buildings and plant and equipment of a subsidiary revalued by a firm of professional valuers in March 1988 (based on the existing use basis).

The above revaluations were performed as a one-off exercise as it is not the Group's policy to carry out a revaluation on a regular basis.

At 31 March 2015 and 2014, had the leasehold land and buildings and plant and equipment been carried at historical cost less accumulated depreciation and accumulated impairment losses, they would have been fully depreciated.

Company	Plant and equipment $'000
Cost:	
At 1 April 2013	12
Additions	5
At 31 March 2014	17
Additions	1
At 31 March 2015	18
Accumulated depreciation:	
At 1 April 2013	6
Depreciation for the year	3
At 31 March 2014	9
Depreciation fo the year	
At 31 March 2015	12
Carrying amount:	
At 31 March 2015	6
At 31 March 2014	8

15 INTANGIBLE ASSETS

	Group	
	2015 $'000	2014 $'000
Goodwill	13,443	505
Other intangible assets	15,131	30
	28,574	**535**

Goodwill

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	Group	
	2015 $'000	2014 $'000
Arising on acquisition of subsidiaries:		
Berger Paints Emirates LLC	505	505
Kadisco Paint and Adhesive Industry S.C.	12,938	-
	13,443	**505**

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its cash flow forecasts based on the most recent financial budgets approved by management with projected revenue growth rates ranging from 10% to 20% (2014 : 10% to 13%) for the next five years and extrapolated cash flows for the remaining years based on estimated nil growth rate.

The rate used to discount the forecasted cash flows is 9% to 19% (2014 :9%).

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Other intangible assets	Brands $'000	Distribution network $'000	Others $'000	Total $'000
Group				
Cost:				
At 1 April 2013 and 31 March 2014	-	-	101	101
Acquired on acquisition of a subsidiary (Note 35)	11,844	3,284	-	15,128
At 31 March 2015	**11,844**	**3,284**	**101**	**15,229**
Impairment:				
At 1 April 2013, 31 March 2014 and 2015	-	-	71	71
Amortisation:				
Amortisation for the year and at 31 March 2015	-	27	-	27
Carrying amount:				
At 31 March 2015	**11,844**	**3,257**	**30**	**15,131**
At 31 March 2014	-	-	30	30

The brands have indefinite useful life as the registration of brands can be renewed indefinitely and management assessed that brands will continue to generate future cash flows for the Group indefinitely. Accordingly, the brands are not amortised.

The distribution network has finite useful life of 20 years, over which the asset is amortised on a straight line basis.The amortisation expenses have been included in separate line item in profit or loss.

Country club membership is stated at cost, net of impairment loss.

16. DEFERRED TAX ASSETS (LIABILITIES)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset):

	Group		Company	
	31 March 2015	31 March 2014	**31 March 2015**	31 March 2014
	$'000	$'000	$'000	$'000
Deferred tax liabilities	(7,555)	(747)	(406)	(406)
Deferred tax assets	232	435	-	-
	(7,323)	**(312)**	**(406)**	**(406)**

The following are the major deferred tax liabilities and assets recognised by the Group and Company and movements thereon during the year: Group

	Retirement benefits assets $'000	Unremitted Income $'000	Excess allowances over depreciation $'000	Retirement benefits liabilities $'000	Tax losses $'000	Intangible assets $'000	Property plant and equipment $'000	Others $'000	Total $'000
Balance at 1 April 2013	(641)	(406)	(140)	402	82	-	-	231	(472)
Foreign exchange differences	18	-	6	(47)	-	-	-	(3)	(26)
Credit (Change) to profit or loss (Note 29) (Refer BIL FS Page 72)	24	-	(39)	40	(76)	-	-	(83)	(134)
Credit to other comprehensive income	238	-	-	82	-	-	-	-	320

	Retirement benefits assets $'000	Unremitted Income $'000	Excess allowances over depreciation $'000	Retirement benefits liabilities $'000	Tax losses $'000	Intangible assets $'000	Property plant and equipment $'000	Others $'000	Total $'000
Balance at 31 March 2014	(361)	(406)	(173)	477	6	-	-	145	(312)
Foreign exchange differences	(39)	-	(5)	18	-	-	-	5	(21)
Acquisition of a subsidiary (Note 35)	-	-	-	32	-	(4,538)	(2,482)	39	(6,949)
Credit (Change) to profit or loss (Note 29) (Refer BIL FS Page 72)	30	-	(70)	51	(6)	8	31	208	252
Charge to other comprehensive income	(190)	-	-	(103)	-	-	-	-	(293)
Balance at 31 March 2015	(560)	(406)	(248)	475	-	(4,530)	(2,451)	397	(7,323)

Company

	Unremitted income $'000
Balance at 1 April 2013, 31 March 2014and 31 March 2015	406

Deferred tax liabilities not recognised

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is $2,355,000(2014 : $2,015,000). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

17. SHORT-TERM BORROWINGS

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Unsecured				
Bank loans	57,812	28,100	57,812	28,100
Bank overdrafts	1,344	-	-	-
	59,156	28,100	57,812	28,100
Secured				
Bank overdrafts	286	-	-	-
	59,442	**28,100**	**57,812**	**28,100**

The Group has unutilised banking facilities of $9.2 million (2014: $8.9million) at the end of the reporting period.

Bank loans

The bank loansare covered by a letter of support given by the ultimateholding company (Note 5). The bank loans bear interest at rates ranging from 0.91% to 1.42% (2014:0.86% to 0.91%) per annum and are repayable in June 2015 (2014 : June 2014).

Bank overdrafts

Bank overdrafts of $286,000 (2014 :$Nil) is secured by the entire leasehold buildings of a subsidiary. Bank overdrafts of $1,344,000 (2014 :$Nil) were not covered by any security. The average effective interest rate on bank overdrafts approximated 9.09% (2014 :Nil%) per annum.

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18. TRADE PAYABLES AND ACCRUED LIABILITIES

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Outside parties and accrued liabilities	25,410	21,028	873	934
Ultimate holding company (Note 5)	802	863	741	574
Related companies (Note 5)	110	79	-	-
	26,322	**21,970**	**1,614**	**1,508**

The credit period on purchases of goods ranges from 30 to 150 days (2014 : 30 to 150 days).

19. OTHER PAYABLES

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Ultimate holding company (Note 5)	501	184	244	23
Related companies (Note 5)	68	-	-	-
Subsidiaries (Notes 5 and 12)	-	-	15,216	14,863
Dividends payable tonon-controlling shareholdersof a subsidiary	2,672	-	-	-
Outside parties	760	726	-	-
	4,001	**910**	**15,460**	**14,886**

20. PROVISIONS

	Group	
	2015 $'000	2014 $'000
Provision for warranties	469	440
Movements in above provision were as follows:		
Balance at beginning of year	440	489
Amount utilised	(7)	(90)
Balance at end of year	469	440

The Group grants warranties to customers on the performance of their products. The provision for warranties represents management's best estimate of the Group's liability for warranties granted on paint products based on past experience of claims on defective products.

21. SHARE CAPITAL

	Group and Company			
	2015	2014	2015 $'000	2014 $'000
	Number of ordinary shares			
At the beginning of the year	103,900,008	103,900,008	36,749	36,749
Capital reduction(i)	(3,310,452)	-	(828)	-
At the end of the year	100,589,556	103,900,008	35,921	36,749

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

(i) On 11 September 2013, KPMG Corporate Finance Pte Ltd, for and on behalf of Asian Paints (International) Limited ("APIL"), the Company's immediate holding company, made a voluntary unconditional cash offer to acquire all the issued ordinary shares ("Shares") in the capital of Berger International Limited ("the Company"), other than those Shares owned by APIL. The offer closed on 8 November 2013 and the Company was delisted from the Mainboard of the Singapore Exchange Securities Trading Limited on 11 February 2014 ("the Delisting").

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Subsequently, the Company implemented a Selective Capital Reduction ("SCR") to cancel all the Shares held by the shareholders of the Company, except those held by APIL and the Company became a wholly-owned subsidiary of APIL after the completion of the SCR.

22. STATUTORY RESERVE

In accordance with the local regulations of Bahrain, United Arab Emirates and Ethiopia, transfers to statutory reserve are required to be made at a rate of 10% of net income for Bahrain and United Arab Emirates and 5% of net income for Ethiopia. No further transfer is required when the reserve reaches 50% of the issued capital for Bahrain and United Arab Emirates and 20% of the issued share capital for Ethiopia. The statutory reserve is not available for distribution, except in the circumstances stipulated in the regulations.

23. CAPITAL RESERVE

The capital reserve represents transfers from unappropriated profit upon bonus issue by a subsidiary in 1998 and 2002, and it is not available for distribution.

24. REVENUE

	Group	
	2015 $'000	2014 $'000
Paints and adhesives sales	130,857	117,356
Contracting revenue and sundry sales	4,382	3,134
	135,239	**120,490**

25. OTHER OPERATING INCOME

	Group	
	2015 $'000	2014 $'000
Royalty income	248	216
Interest income from non-related companies	2	3
Other income, sales of drums	454	416
Foreign exchange adjustment gain	604	-
	1,308	**635**

26. EMPLOYEE BENEFITS EXPENSE

	Group	
	2015 $'000	2014 $'000
Staff costs (including directors' remuneration)	23,045	21,884
Amounts recognised in respect of defined benefit plans (Note 13)	963	727
Contributions to defined contribution plans	340	326
	24,348	**22,937**

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27. OTHER OPERATING EXPENSES

	Group	
	2015 $'000	2014 $'000
Power and fuel	979	974
Freight and handling charges	2,818	2,436
Advertisement	5,165	5,156
Sales promotion expenses	491	586
Insurance	449	501
Repairs and maintenance	1,063	806
Rent	897	720
Royalty	741	573
Printing, stationery, postage and telephone	789	794
Travelling expenses	1,985	1,882
Foreign exchange adjustment loss	-	1,409
Allowance for doubtful trade receivables (Note 8)	1,340	476
Allowance for (Reversal of) obsolete inventories (Note 10)	640	(37)
Legal and professional expenses	667	684
Provision for demolition cost	300	-
Pre-operating expenses in Indonesia	1,110	-
Acquisition-related costs	259	-
Others	1,956	1,652
	21,649	**18,612**

28. FINANCE COSTS

	Group	
	2015 $'000	2014 $'000
Interest expense on bank overdrafts and loans	423	307

29. INCOME TAX

	Group	
	2015 $'000	2014 $'000
Current tax	1,307	903
Underprovisionof current tax in prior years	16	39
Deferred tax (Note 16)	(252)	134
	1,071	**1,076**

The income tax expense varies from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2014 : 17%) to profit before income tax as a result of the following differences:

	2015 $'000	2014 $'000
Profit before income tax	6,917	5,687
Income tax expense at Singapore statutory rate	1,176	967
Non-deductible items	234	389
Underprovision in prior years	16	39
Tax concessions	(208)	(145)
Withholding tax	171	191
Effect of different tax rates in different countries	(331)	(367)
Other items	13	2
Total income tax expense	**1,071**	**1,076**

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30. PROFIT FOR THE YEAR

Profit for the year is stated after (crediting) charging:

	Group	
	2015 $'000	2014 $'000
Gain on disposal of property, plant and equipment	(38)	(89)
Directors' remuneration:		
Directors of the Company	252	695
Directors of subsidiaries	1,231	1,133
Foreign exchange adjustment (gain) loss	(604)	1,409
Cost of inventories recognised as expense	73,357	65,526
Allowance for (Reversal of) obsolete inventories (Note 10)	640	(37)
Provision for warranties(Note 20)	36	41
Allowance for doubtful trade receivables (Note 8)	1,340	476

31. CONTINGENT LIABILITIES

(a) At the end of the reporting period, the Group has provided performance guarantees and guarantees to banks as follows:

	Group	
	2015 $'000	2014 $'000
Performance guarantees for contracts	1,479	2,346

(b) As at 31 March 2015, the Company and its subsidiary, Berger Paints Trinidad Limited, are engaged in litigation initiated by its former Regional Managing Director claiming that the termination of his services is null and void and of no effect. However, the amount of claim has not been assessed. The Company upon discontinuing his services had paid him compensation as per his contract of employment and the same had been charged to profit or loss. The Company filed a counterclaim for the recovery of amounts due from the Regional Managing Director arising from the payments made to him, upon the termination of his services, in excess of his entitlement under the employment contract. This matter is subject to Trinidad and Tobago's High Court Action No. 3085 of 2003. Based on the information presently available and the historical development of the matter since 2003, the directors are of the opinion that at this moment in time it cannot be determined with any reasonable certainty the likely outcome of theclaims. Therefore, no provision has been made in the financial statements.

(c) The Company has given undertaking to provide continuing financial support to certain subsidiaries in the Group which have capital deficiency.As at 31 March 2015, the total capital deficiency of these subsidiaries amounted to $3,179,000 (2014 :$3,246,000).

32. OPERATING LEASE COMMITMENTS

	Group	
	2015 $'000	2014 $'000
Minimum lease payments under operating leases recognised as an expense in the year	727	813

At the end of the reporting period, the outstanding commitments in respect of non-cancellable operating leases were as follows:

	2015 $'000	2014 $'000
Within 1 year	685	683
Within 2 to 5 years	1,782	425
After 5 years	6,934	139
	9,401	**1,247**

Operating lease payments represent rentals payable by the Group for certain of its factory and other properties. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 26 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. Such increases are not included in the above amounts.

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33. CAPITAL EXPENDITURE COMMITMENTS

	Group	
	2015 $'000	2014 $'000
Amounts committed for future capital expenditure	4,507	90

34. DIVIDENDS

On 25 July 2013 the Company paid one-tier, tax exempt dividends of 0.28 cents per share totalling $291,000 in respect of the financial year ended 31 March 2013. The dividends were paid for in cash.

The Company did not declare any dividends in respect of the financial years ended 31 March 2014 and 2015.

35. ACQUISITION OF SUBSIDIARY

On 9 February 2015, the Group acquired 51% of the issued share capital of Kadisco Paint and Adhesive Industry S.C. ("Kadisco") for cash consideration of $25,627,000. This transaction has been accounted for by the acquisition method of accounting.

Kadisco is an entity incorporated in Ethiopia with its principal activity being the manufacture and sale of paints and adhesives.

Consideration transferred (at acquisition date fair values)	$'000
Cash	25,627

Acquisition-related costs amounting to $259,000 have been excluded from the consideration transferred and have been recognised as an expense in the period, within the "other operating expenses" line item in the statement of profit or loss and other comprehensive income.

Assets acquired and liabilities assumed at the date of acquisition	$'000
Current assets	
Cash and bank balances	2,264
Trade receivables	1,451
Other receivables and prepayment	90
Inventories	8,374
Non-current assets	
Held-to-maturity financial assets	167
Property, plant and equipment	11,580
Intangible assets	15,128
Current liabilities	
Bank overdraft	(940)
Trade payables	(517)
Other payables	(4,266)
Income tax payable	(1,271)
Finance leases	(153)
Non-current liabilities	
Retirement benefit liabilities	(77)
Deferred tax liabilities	(6,949)
Net assets acquired and liabilities assumed	**24,881**

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The receivables acquired in these transactions with a fair value of $1,541,000 had gross contractual amounts of $2,099,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected is $558,000.

Non-controlling interest

The non-controlling interest (49%) in Kadisco recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to $12,192,000.

Goodwill arising on acquisition	$'000
Consideration transferred	25,627
Add: Non-controlling interest	12,192
Less: Fair value of identifiable net assets acquired	(24,881)
Goodwill arising on acquisition	12,938

Goodwill arose in the acquisition of Kadiscobecause the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Kadisco. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The Group also acquired the customer lists and customer relationships of Kadisco as part of the acquisition. These assets could not be separately recognised from goodwill because they are not capable of being separated from the Group and sold, transferred, licensed, rented or exchanged, either individually or together with any related contracts. Consequently, they are subsumed into goodwill.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash outflow on acquisition of a subsidiary	$'000
Cash consideration	25,627
Less: Cash and cash equivalents acquired	(1,324)
Net cash and cash equivalents acquired	24,303

Impact of acquisition on the results of the Group

Included in the revenue and profit for the year is $5,933,000and $1,045,000 attributable to additional business generated by Kadisco.

Had the business combination during the year been effected on 1 April 2014, the revenue and profit for the year from Kadisco would have been $28,750,000 and $4,960,000.