CONTENTS

DIRECTORS' STATEMENT

The Directors present their statement to the members together with the audited Consolidated Financial Statements of ComfortDelGro Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") and the Statements of Financial Position and Statement of Changes in Equity of the Company for the financial year ended 31 December 2022.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the Consolidated Financial Statements of the Group and the Statements of Financial Position and Statement of Changes in Equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

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

Lim Jit Poh	(Chairman)
Cheng Siak Kian	(Managing Director/Group Chief Executive Officer) (Appointed on 1 January 2023)
Choi Shing Kwok	(Appointed on 1 August 2022)
Jessica Cheam	
Lee Jee Cheng Philip	
Mark Christopher Greaves	
Ooi Beng Chin	
Russell Stephen Balding AO	(Appointed on 1 August 2022)
Sum Wai Fun Adeline	
Susan Kong Yim Pui	(Appointed on 1 January 2023)
Tham Ee Mern Lilian	

Dr Wang Kai Yuen, Mr Lee Khai Fatt, Kyle and Mr Chiang Chie Foo who served during the financial year, retired as Directors of the Company following the conclusion of the Annual General Meeting on 29 April 2022. Mr Yang Ban Seng who served during the financial year, retired as Director of the Company on 31 December 2022.

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, except for the options mentioned in paragraphs 3 and 4 of the Directors' Statement.

3. DIRECTORS' INTERESTS 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 its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, except as follows:

	At 1 January 2022 or date of appointment, if later	At 31 December 2022	At 21 January 2023
Interest in the Company			
(a) Ordinary shares			
Lim Jit Poh	244,425	244,425	244,425
Cheng Siak Kian [1]	*(See Note 1)*	*(See Note 1)*	37,500
Choi Shing Kwok [2]	30,000	30,000	30,000
Mark Christopher Greaves	40,000	40,000	40,000
Mark Christopher Greaves (Deemed Interest)	10,000	10,000	10,000
Sum Wai Fun Adeline	240,000	240,000	240,000
Lee Khai Fatt, Kyle[3]	100,000	*(See Note 3)*	*(See Note 3)*
Lee Khai Fatt, Kyle[3] (Deemed Interest)	70,000	*(See Note 3)*	*(See Note 3)*
Wang Kai Yuen[3]	52,500	*(See Note 3)*	*(See Note 3)*
Yang Ban Seng[4]	399,668	512,168	512,168
Yang Ban Seng[4] (Deemed Interest)	18,185	18,185	18,185

(b) Unvested performance share awards under the ComfortDelGro Executive Share Award Scheme

	Number of unvested shares held by Directors		
	At 1 January 2022	At 31 December 2022	At 21 January 2023
Cheng Siak Kian [1]	*(See Note 1)*	*(See Note 1)*	127,500
Yang Ban Seng [4]	362,500	450,000	450,000

	At 1 January 2022	At 31 December 2022	At 21 January 2023
Interest in subsidiary, SBS Transit Ltd			
(a) Ordinary shares			
Mark Christopher Greaves (Deemed Interest)	10,000	10,000	10,000

(b) Unvested performance share awards under the SBS Executive Share Award Scheme

	Number of unvested shares held by Directors		
	At 1 January 2022	At 31 December 2022	At 21 January 2023
Cheng Siak Kian [1]	*(See Note 1)*	*(See Note 1)*	30,000

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

	At 1 January 2022 or date of appointment, if later	At 31 December 2022	At 21 January 2023
Interest in subsidiary, VICOM Ltd			
(a) Ordinary shares			
Lim Jit Poh	760,000	760,000	760,000
Mark Christopher Greaves	10,000	10,000	10,000
Choi Shing Kwok [2] (Deemed Interest)	12,000	12,000	12,000

NOTES:

(1) Mr Cheng Siak Kian was appointed as Director of the Company on 1 January 2023

(2) Mr Choi Shing Kwok was appointed as Director of the Company on 1 August 2022

(3) Mr Lee Khai Fatt, Kyle and Dr Wang Kai Yuen retired as Directors of the Company on 29 April 2022

(4) Mr Yang Ban Seng retired as Director of the Company on 31 December 2022

4. SHARE OPTIONS AND SHARE AWARDS

(a) Share options of the Company

(i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") for a period of 10 years was approved by the shareholders of the Company on 18 February 2003. It expired on 17 February 2013 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the CDG ESOS. The CDG ESOS is administered by the Nominating and Remuneration Committee (the "Committee") comprising Messrs Lim Jit Poh (Chairman), Russell Stephen Balding AO, Choi Shing Kwok, Mark Christopher Greaves, Lee Jee Cheng Philip, Susan Kong Yim Pui and Sum Wai Fun Adeline.

(ii) Under the CDG ESOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at a subscription price determined with reference to the market price of the shares at the time of grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is $1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for non-executive Directors) of the date of grant of that option or such shorter period as determined by the Committee. The option may be exercised in whole or in part on the payment of the relevant subscription price. The participants to whom the options have been granted shall be eligible to participate in other share option schemes implemented by the Company and/or its subsidiaries. Options granted will lapse when the option holder ceases to be a full-time employee or Director of the Company or any company of the Group, subject to certain exceptions at the discretion of the Committee administering the CDG ESOS.

4. SHARE OPTIONS AND SHARE AWARDS (CONT'D)

(a) Share options of the Company (cont'd)

(iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options exercised and lapsed during the financial year and options outstanding as at 31 December 2022 were as follows:

	Number of options to subscribe for ordinary shares					
Date of grant	Outstanding at 1 January 2022	Exercised	Lapsed	Outstanding at 31 December 2022	Subscription price per share	Expiry date
20 June 2012	1,225,000	–	(1,225,000)	–	$1.475	19 June 2022
Total	1,225,000	–	(1,225,000)	–		

(iv) None of the options granted under the CDG ESOS include a discount feature to the market price of the shares at the time of grant. No participants to the CDG ESOS are controlling shareholders of the Company and their associates.

(iv) None of the Directors or employees of the Company and its subsidiaries received 5% or more of the total number of options available under the CDG ESOS for the financial year ended 31 December 2022.

(b) Share awards of the Company

(i) The Company obtained Shareholders' approval at its Annual General Meeting held on 26 April 2018 to implement the ComfortDelGro Executive Share Award Scheme ("CDG ESAS") for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group. The CDG ESAS is administered by the Nominating and Remuneration Committee (the "Committee") comprising Messrs Lim Jit Poh (Chairman), Russell Stephen Balding AO, Choi Shing Kwok, Mark Christopher Greaves, Lee Jee Cheng Philip, Susan Kong Yim Pui and Sum Wai Fun Adeline.

(ii) Under the CDG ESAS, the shares are granted conditional upon performance targets being met and have a vesting schedule whereby only a portion of the benefits would be granted each year. The grant of the shares may be withdrawn or clawed-back in the event of exceptional circumstances of material misstatement of financial results or misconduct resulting in financial or other losses for the Group.

(iii) The Board and the Committee believe that the Executive Share Award Scheme will help ensure that the Group continues to have a strong leadership team, credible talent pipeline and reinforce the delivery of long-term shareholder value.

(iv) During the financial year, the Company granted the third tranche of share awards of 755,000 (2021: 770,000) ordinary shares pursuant to the CDG ESAS to selected employees of the Group. This included an award of 200,000 (2021: 200,000) ordinary shares to Executive Director, Mr Yang Ban Seng. These are time-based awards to be vested over a 4-year period.

4. SHARE OPTIONS AND SHARE AWARDS (CONT'D)

(b) Share awards of the Company (cont'd)

(v) No participants to the CDG ESAS are controlling shareholders of the Company and their associates.

(vi) Since the adoption of the CDG ESAS, a total of 2,605,000 (2021: 1,850,000) share awards were granted. Details of the share awards granted, vested and lapsed and the number of unvested share awards outstanding as at the end of the financial years are as follows:

	Number of share awards				
Date of grant	Balance at 1 January 2022	Granted	Vested	Lapsed	Balance at 31 December 2022
6 May 2019	212,500	–	(101,250)*	(13,750)	97,500
6 May 2020	382,500	–	(121,250)*	(26,250)	235,000
6 May 2021	770,000	–	(185,000)*	(45,000)	540,000
6 May 2022	–	755,000	–	–	755,000
Total	1,365,000	755,000	(407,500)	(85,000)	1,627,500

* All of the ordinary shares were delivered by way of the issue of treasury shares.

(vii) Details of the share awards since the commencement of the Executive Share Award Scheme were as follows:

Director	Aggregate share awards granted since the commencement to 31 December 2022	Aggregate share awards vested since the commencement to 31 December 2022	Aggregate share awards outstanding at 31 December 2022
Cheng Siak Kian	165,000	37,500	127,500

(c) Share awards of subsidiary, SBS Transit Ltd

(i) SBST obtained Shareholders' approval at its Annual General Meeting held on 29 April 2021 to implement the SBS Executive Share Scheme ("SBS ESS") for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group. The SBS ESS is administered by the Nominating and Remuneration Committee (the "Committee') comprising Mr Tan Beng Hai (Chairman), Mr Cheng Siak Kian, Mr Desmond Choo Pey Ching, Ms Susan Kong Yim Pui, Professor Lim Seh Chun and Dr Tan Kim Siew.

4. SHARE OPTIONS AND SHARE AWARDS (CONT'D)

(c) Share awards of subsidiary, SBS Transit Ltd

(ii) Under the SBS ESS, the shares are granted conditional upon performance targets being met and have a vesting schedule whereby only a portion of the benefits would be granted each year. The grant of the shares may be withdrawn or clawed-back in the event of exceptional circumstances of material misstatement of financial results or misconduct resulting in financial or other losses for the Group.

(iii) The Board and the Committee believe that the SBS ESS will help ensure that SBST continues to have a strong leadership team, credible talent pipeline and reinforce the delivery of long-term shareholder value.

(iv) During the financial year, SBST granted the first tranche of share awards of 411,000 (2021: NIL) ordinary shares pursuant to the SBS ESS to selected employees of the Group. This included an award of 30,000 (2021: NIL) ordinary shares to Deputy Chairman, Mr Cheng Siak Kian. These are time-based awards to be vested over a 4-year period.

(v) No participants to the SBS ESS are controlling shareholders of SBST and their associates.

(vi) Since the adoption of the SBS ESS, a total of 411,000 (2021: Nil) share awards were granted. Details of the share awards granted, vested and lapsed and the number of unvested share awards outstanding as at the end of the financial year are as follows:

	Number of share awards			
Date of grant	**Balance at 1 January 2022**	**Granted**	**Lapsed**	**Balance at 31 December 2022**
12 July 2022	–	411,000	7,500	403,500

(vii) Details of the share awards since the commencement of the SBS ESS were as follows:

Director	**Aggregate share awards granted since the commencement to 31 December 2022**	**Aggregate share awards vested since the commencement to 31 December 2022**	**Aggregate share awards outstanding at 31 December 2022**
Cheng Siak Kian	30,000	–	30,000

5. AUDIT AND RISK COMMITTEE

At the date of this report, the Audit and Risk Committee comprises seven non-executive and independent Directors who are as follows:

Lee Jee Cheng Philip	(Chairman)
Russell Stephen Balding AO	(Appointed on 1 August 2022)
Jessica Cheam	
Choi Shing Kwok	(Appointed on 1 August 2022)
Mark Christopher Greaves	
Susan Kong Yim Pui	(Appointed on 1 January 2023)
Tham Ee Mern Lilian	

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967 of Singapore and the Code of Corporate Governance 2018.

In performing its functions, the Audit and Risk Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors.

It met with the Company's internal and external auditors four times during the year to discuss the scope and results of their respective audits, and at least once annually without the presence of Management. The Audit and Risk Committee has reviewed the independence of the external auditors, Messrs Ernst & Young LLP, including the scope of the non-audit services performed and confirmed that the auditors are independent.

The Audit and Risk Committee has full access to and has the co-operation of Management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and Executive Officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

In addition, the Audit and Risk Committee reviewed the Financial Statements of the Group before their submission to the Board of Directors of the Company and provided assurance to the Board on the adequacy of financial, operational, compliance and information technology controls.

6. AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Lim Jit Poh
Chairman

Cheng Siak Kian
Managing Director/Group Chief Executive Officer

Singapore
24 February 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of ComfortDelGro Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the Statements of financial position of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, and the Statements of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd)

Impairment assessment of vehicles, premises and equipment, intangible assets, goodwill and investment in subsidiaries

The Group and Company has significant vehicles, premises and equipment, intangible assets with either indefinite or definite useful lives, goodwill and investment in subsidiaries whose carrying amount are disclosed in Notes 12, 13, 14 and 8 to the financial statements, respectively. These non-financial assets are either tested individually or allocated to the respective cash generating units ("CGUs") for impairment assessment. Management is required to perform impairment assessments on CGUs with allocated goodwill and or intangible assets with indefinite useful lives (i.e., taxi licences) annually or when an indicator of impairment is identified. For other non-financial assets, impairment assessment is performed when an indicator of impairment is identified at the reporting date. The impairment assessments require determination of the recoverable amount of the assets based on the higher of value in use and fair value less costs of disposal that are determined by applying valuation techniques such as the discounted cash flow method. The disclosures on the impairment assessments are made in Note 3 to the financial statements.

The estimates of the assets' recoverable amount involve the use of Management's assumptions, forecast of future cash flows, future economic and market conditions relevant to the assets, and determination of appropriate discount rates. These and the identification of impairment indicators involve significant Management judgement and estimation uncertainty, including but not limited to economic outlook and the effects of changes in the environment. Consequently, we have considered this to be a key audit matter.

As part of our audit, we reviewed Management's identification of impairment indicators for the non-financial assets and their process and basis of determining recoverable amount of the relevant assets. We obtained the discounted cash flow computations based on financial and operating budgets prepared and approved by Management and evaluated the reasonableness of key assumptions and inputs used, including but not limited to profit margins, growth and discount rates by comparing to historical information, external market data and observed trends. We evaluated the robustness of management's budgeting process by comparing the actual results to previously forecasted results and performed sensitivity analyses on key assumptions for alternative reasonably possible scenarios. We also assessed the appropriateness of discount rates that are based on weighted average cost of capital with the assistance of our internal valuation specialist who relied on external data relevant to the geographical location of each asset. We also reviewed the adequacy of the disclosures in relation to the Group and Company's vehicles, premises and equipment, intangible assets, goodwill and investment in subsidiaries provided in aforementioned notes to the financial statements.

Recognition and measurement of provision for accident claims

The Group recognises provision for accident claims arising from its transportation business when it has a present obligation (legal or constructive) that would result in an expected settlement that can be reliably estimated. The carrying amount of the provision for accident claims are disclosed in Notes 21 to the financial statements.

Management exercises significant judgements in determining the estimated amounts required to settle the obligations, which is inherently uncertain in both timing and amounts. Management considers the probability and amount of the expected settlement claims based on current available information such as claims history and payment trends. Management also periodically engages external professional services firm to perform a valuation of the provision for accident claims to validate its own computation model and inputs. The key assumptions and estimates used by Management are disclosed in Note 3 to the financial statements. Given the significant Management judgement and estimation uncertainty involved, we have considered this to be a key audit matter.

As part of our audit, we reviewed Management's process of identifying accident claims that meet the recognition criteria and obtained Management's computation, assumptions and estimates used for the measurement of the provision. We evaluated the reasonableness of key assumptions and estimates used by Management, including reviewing the number of claims lodged, recent settlements, third party settlement data and accident claims statistics. We also reviewed the adequacy of the disclosures in relation to the Group's provision for accident claims provided in aforementioned notes to the financial statements.

Key Audit Matters (cont'd)

Accounting for bus contracts with public transport regulators

The Group's Public Transport Services segment has entered into contracts with public transport regulators (the "Grantors") in various markets whereby the Group operates bus assets and provide public bus services (the "Bus contracts"). As part of determining the appropriate accounting treatments for these Bus contracts, Management is required to determine whether these public-to-private arrangements are within the scope of SFRS(I) INT 12 *Service Concession Arrangements* and how the bus assets owned or leased by the Group are recognised in the financial statements. The applicability of SFRS(I) INT 12 is based on an assessment of whether the Grantors have both the control over the services to be provided using the bus assets, and the residual interests at the end of the contract (the "Control test"). These determines the Group's accounting treatment of the bus assets and the related revenue, income and expenses. The evaluation of the Management's assessment on accounting treatments for the Group's Bus contracts as well as the restatements made involved significant judgement. Accordingly, we have identified the accounting for bus contracts with public transport regulators as a key audit matter.

As part of our audit, we reviewed and discussed with Management the key contractual terms, facts and circumstances of a representative sample of the Group's existing Bus contracts to evaluate the appropriateness of the accounting treatments applied, including but not limited to the applicability of SFRS(I) INT 12 and the treatment of bus assets owned or leased by the Group.

Pursuant to these procedures, certain Bus contracts with Australian Grantors are found to be within the scope of SFRS(I) INT 12 where the financial asset accounting model as disclosed in Note 3 to the financial statements is applicable. These have resulted in the Group making a retrospective change to accounting treatments for the relevant bus assets and the related revenue, income and expenses. The consequential restatements to the opening balance and comparative information in respect to the affected Group's financial statements items such as Revenue, Vehicles, premises and equipment and trade and other receivables are disclosed in Note 43 to the financial statements.

In addition to the aforementioned audit procedures, we obtained an understanding of Management's process of reviewing and identifying the key contractual terms, facts and circumstances of the Group's Bus contracts. We obtained and reviewed Management's assessment of the accounting treatments of the Group's Bus contracts based on the requirements of the relevant SFRS(I) standards and interpretations, the economic characteristics of the key contractual rights and obligations of the Grantors and the Group under the Bus contracts. We held discussions to understand and challenge Management's assumptions and judgements involved in evaluating each Bus contract and reviewed relevant supporting documents of the Bus contracts. We reviewed the restatement to the Group's opening balance and comparative information due to the change in accounting treatments for relevant Bus contracts with Australian Grantors. We have also reviewed the adequacy of the Group's disclosures on the accounting treatments for Bus contracts and the aforementioned restatement in Notes 3 and 43 to the financial statements.

Provision for rail contract

In November 2021, a subsidiary of the Group, SBS Transit Ltd ("SBS Transit") entered into a framework agreement with the Land Transport Authority of Singapore ("LTA") and SBS Transit DTL Pte. Ltd. to transit the Downtown Line ("DTL") to the second version of the New Rail Financing Framework Version 2 ("NRFF (Version 2)"). North East Line ("NEL") and Sengkang Punggol Light Rail Transit System ("SPLRT") operated by SBS Transit are already on NRFF Version 2 since 2018.

As part of the framework agreement, the LTA has issued a Consolidated Rail Licence to SBS Transit Ltd's wholly-owned subsidiary, SBS Transit Rail Pte. Ltd., to operate the DTL, NEL and SPLRT for a period of 11 years commencing 1 January 2022, and ending on 31 December 2032 (the "Consolidated Rail Licence").

Management is required to assess whether a provision in respect to the Group's obligations under the Consolidated Rail Licence is required. As disclosed in Note 3 to the financial statements, these involve projections of the future financial performance of the Consolidated Rail Licence that are based on key assumptions and estimates including but not limited to ridership, fare adjustments and availability of grants from the authorities, after taking into consideration the current ridership patterns and fare adjustments. These assumptions and estimates involved significant Management judgement and estimation uncertainty. Accordingly, we have considered this to be a key audit matter.

Key Audit Matters (cont'd)

Provision for rail contract

We and the relevant component auditors focused our review on evaluating the areas of significant judgement made by Management in their projection of the future financial performance of the DTL, NEL and SPLRT under the new terms of the Consolidated Rail Licence.

The audit procedures included obtaining and reading the framework agreement and certain key correspondences between the authorities and the Group. Discussions were held with Management on the areas of significant judgement in their projection of the future financial performance of the DTL, NEL and SPLRT. A review of the projected future financial performance of the DTL, NEL and SPLRT up to the end of the license period was performed that included challenging key assumptions made by Management and reviewing relevant corroborative documentation of ridership projection, projected future fare adjustments and availability of grants from the authorities. We have also reviewed the adequacy of the related disclosures made in Notes 3 and 37 to the financial statements.

Other matters

The financial statements of the Group and Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 28 February 2022.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and SFRS(I), 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Vincent Toong Weng Sum.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

24 February 2023

GROUP INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'mil	2021* $'mil
Revenue	26	3,780.8	3,502.8
Staff costs	27	(1,816.9)	(1,711.9)
Fuel and electricity costs		(417.2)	(264.2)
Depreciation and amortisation		(357.2)	(376.3)
Repairs and maintenance costs		(305.8)	(312.1)
Contract services		(164.5)	(141.2)
Materials and consumables costs		(124.1)	(95.5)
Premises costs		(85.1)	(80.2)
Insurance premiums and accident claims		(83.9)	(81.1)
Road tax and licence fees		(53.2)	(84.7)
Advertising production and promotion costs		(20.7)	(16.9)
Utilities and communication costs		(18.5)	(17.3)
Provision for impairment on vehicles and goodwill		–	(9.0)
Net gain/(loss) on disposal of vehicles, premises and equipment		36.3	(14.7)
Other operating costs		(100.0)	(97.9)
Total operating costs		(3,510.8)	(3,303.0)
Operating Profit		270.0	199.8
Net income from investments		15.2	6.1
Finance costs	28	(13.3)	(11.3)
Share of results of associates and joint ventures		0.8	0.1
Profit before Taxation		272.7	194.7
Taxation	29	(54.2)	(41.8)
Profit after Taxation	30	218.5	152.9
Profit Attributable to:			
Shareholders of the Company		173.1	123.0
Non-controlling Interests		45.4	29.9
		218.5	152.9
Earnings per share (in cents) **:			
Basic	31	7.99	5.68
Diluted	31	7.99	5.68

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

** Based on weighted average number of ordinary shares in issue (excluding treasury shares).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GROUP COMPREHENSIVE INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'mil	2021* $'mil
Profit after Taxation	30	218.5	152.9
Items that may be reclassified subsequently to profit or loss			
Fair value adjustment on cash flow hedges		(1.2)	0.7
Exchange differences on translation of foreign operations		(148.3)	3.3
		(149.5)	4.0
Items that will not be reclassified subsequently to profit or loss			
Actuarial adjustment on defined benefit plans		(6.9)	7.0
Fair value adjustment on equity investments		(3.6)	2.5
		(10.5)	9.5
Other comprehensive income for the year		(160.0)	13.5
Total comprehensive income for the year		58.5	166.4
Attributable to:			
Shareholders of the Company		27.9	129.2
Non-controlling Interests		30.6	37.2
		58.5	166.4

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 $'mil	2021* $'mil	2022 $'mil	2021 $'mil
ASSETS					
Current assets					
Short-term deposits and bank balances	4	967.0	919.1	241.1	244.5
Trade and other receivables	5	550.0	569.8	8.4	6.8
Due from subsidiaries	6	–	–	6.3	70.9
Inventories	7	120.1	116.9	–	–
		1,637.1	1,605.8	255.8	322.2
Assets classified as held for sale	42	7.6	8.3	–	–
Deferred tax assets	15	–	6.5	–	–
Total current assets		1,644.7	1,620.6	255.8	322.2
Non-current assets					
Subsidiaries	8	–	–	1,187.6	1,187.6
Associates and joint ventures	9	7.4	0.8	–	–
Investments	10	25.2	27.7	8.7	11.7
Trade and other receivables	5	142.6	176.4	10.6	14.0
Due from subsidiaries	6	–	–	250.7	317.1
Vehicles, premises and equipment	12	2,038.4	2,191.9	10.8	5.1
Intangible assets	13	201.8	220.0	–	–
Goodwill	14	614.5	646.9	–	–
Deferred tax assets	15	26.2	30.1	–	–
Total non-current assets		3,056.1	3,293.8	1,468.4	1,535.5
Total assets		4,700.8	4,914.4	1,724.2	1,857.7
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	16	26.8	23.9	8.6	22.8
Lease liabilities from financial institutions	17	12.7	28.0	–	–
Lease liabilities	18	37.6	33.3	4.7	4.3
Trade and other payables	19	832.2	775.6	20.2	15.5
Due to subsidiaries	19	–	–	260.1	247.5
Deferred grants	20	0.6	0.6	–	–
Fuel price equalisation account		20.0	20.0	–	–
Provision for accident claims	21	45.3	44.3	–	–
Income tax payable		65.6	64.4	1.6	1.5
Total current liabilities		1,040.8	990.1	295.2	291.6

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 $'mil	2021* $'mil	2022 $'mil	2021 $'mil
Non-current liabilities					
Borrowings	16	265.4	317.1	119.9	317.1
Lease liabilities from financial institutions	17	8.7	30.3	–	–
Lease liabilities	18	151.9	185.4	14.7	19.4
Deferred grants	20	4.3	4.8	–	–
Other liabilities	22	67.9	76.8	–	–
Fuel price equalisation account		20.0	20.0	–	–
Deferred tax liabilities	15	142.4	181.5	1.1	1.1
Total non-current liabilities		660.6	815.9	135.7	337.6
Total liabilities		1,701.4	1,806.0	430.9	629.2
Capital, reserves and non-controlling interests					
Share capital	23	694.4	694.4	694.4	694.4
Treasury shares	24	(1.8)	(0.7)	(1.8)	(0.7)
Other reserves	25	60.5	70.8	(41.0)	(38.3)
Foreign currency translation reserve		(157.5)	(23.7)	–	–
Retained earnings		1,973.3	1,937.8	641.7	573.1
Equity attributable to shareholders of the Company		2,568.9	2,678.6	1,293.3	1,228.5
Non-controlling interests		430.5	429.8	–	–
Total equity		2,999.4	3,108.4	1,293.3	1,228.5
Total liabilities and equity		**4,700.8**	**4,914.4**	**1,724.2**	**1,857.7**

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	The Group							
	Attributable to shareholders of the Company							
	Share capital $'mil	Treasury shares $'mil	Other reserves $'mil	Foreign currency translation reserve $'mil	Retained earnings $'mil	Total $'mil	Non-controlling interests $'mil	Total equity $'mil
Balance at 1 January 2022 *	**694.4**	**(0.7)**	**70.8**	**(23.7)**	**1,937.8**	**2,678.6**	**429.8**	**3,108.4**
Total comprehensive income for the year:								
Profit for the year	–	–	–	–	173.1	173.1	45.4	218.5
Other comprehensive income for the year	–	–	(11.4)	(133.8)	–	(145.2)	(14.8)	(160.0)
Total	–	–	(11.4)	(133.8)	173.1	27.9	30.6	58.5
Transactions recognised directly in equity:								
Payment of dividends (Note 36)	–	–	–	–	(137.8)	(137.8)	–	(137.8)
Purchase of treasury shares (Note 24)	–	(1.7)	–	–	–	(1.7)	–	(1.7)
Transfer from treasury shares to share-based payments (Notes 24 and 25)	–	0.6	(0.6)	–	–	–	–	–
Other reserves (Note 25)	–	–	1.7	–	0.2	1.9	(29.9)	(28.0)
Total	–	(1.1)	1.1	–	(137.6)	(137.6)	(29.9)	(167.5)
Balance at 31 December 2022	**694.4**	**(1.8)**	**60.5**	**(157.5)**	**1,973.3**	**2,568.9**	**430.5**	**2,999.4**
Balance at 1 January 2021 *	**693.4**	**(0.2)**	**59.8**	**(20.2)**	**1,892.4**	**2,625.2**	**422.0**	**3,047.2**
Total comprehensive income for the year:								
Profit for the year	–	–	–	–	123.0	123.0	29.9	152.9
Other comprehensive income for the year	–	–	9.7	(3.5)	–	6.2	7.3	13.5
Total	–	–	9.7	(3.5)	123.0	129.2	37.2	166.4
Transactions recognised directly in equity:								
Exercise of share options (Notes 23 and 25)	0.8	–	–	–	–	0.8	–	0.8
Issued shares under share award scheme	0.2	–	(0.2)	–	–	–	–	–
Payment of dividends (Note 36)	–	–	–	–	(76.5)	(76.5)	–	(76.5)
Purchase of treasury shares (Note 24)	–	(0.7)	–	–	–	(0.7)	–	(0.7)
Transfer from treasury shares to share-based payments (Notes 24 and 25)	–	0.2	(0.2)	–	–	–	–	–
Other reserves (Note 25)	–	–	1.7	–	(1.1)	0.6	(29.4)	(28.8)
Total	1.0	(0.5)	1.3	–	(77.6)	(75.8)	(29.4)	(105.2)
Balance at 31 December 2021 *	**694.4**	**(0.7)**	**70.8**	**(23.7)**	**1,937.8**	**2,678.6**	**429.8**	**3,108.4**

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	The Company				
	Share capital $'mil	Treasury shares $'mil	Other reserves $'mil	Retained earnings $'mil	Total equity $'mil
Balance at 1 January 2022	**694.4**	**(0.7)**	**(38.3)**	**573.1**	**1,228.5**
Total comprehensive income for the year:					
Profit for the year	–	–	–	206.2	206.2
Other comprehensive income for the year	–	–	(3.0)	–	(3.0)
Total	–	–	(3.0)	206.2	203.2
Transactions recognised directly in equity:					
Payment of dividends (Note 36)	–	–	–	(137.8)	(137.8)
Purchase of treasury shares (Note 24)	–	(1.7)	–	–	(1.7)
Transfer from treasury shares to share-based payments (Notes 24 and 25)	–	0.6	(0.6)	–	–
Other reserves (Note 25)	–	–	0.9	0.2	1.1
Total	–	(1.1)	0.3	(137.6)	(138.4)
Balance at 31 December 2022	**694.4**	**(1.8)**	**(41.0)**	**641.7**	**1,293.3**
Balance at 1 January 2021	**693.4**	**(0.2)**	**(39.4)**	**545.5**	**1,199.3**
Total comprehensive income for the year:					
Profit for the year	–	–	–	104.1	104.1
Other comprehensive income for the year	–	–	0.8	–	0.8
Total	–	–	0.8	104.1	104.9
Transactions recognised directly in equity:					
Exercise of share options (Notes 23 and 25)	0.8	–	–	–	0.8
Issued shares under share award Scheme	0.2	–	(0.2)	–	–
Payment of dividends (Note 36)	–	–	–	(76.5)	(76.5)
Purchase of treasury shares (Note 24)	–	(0.7)	–	–	(0.7)
Transfer from treasury shares to share-based payments (Notes 24 and 25)	–	0.2	(0.2)	–	–
Other reserves (Note 25)	–	–	0.7	–	0.7
Total	1.0	(0.5)	0.3	(76.5)	(75.7)
Balance at 31 December 2021	**694.4**	**(0.7)**	**(38.3)**	**573.1**	**1,228.5**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GROUP CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 $'mil	2021* $'mil
Operating activities		
Profit before Taxation	272.7	194.7
Adjustments for:		
Depreciation and amortisation	357.2	376.3
Finance costs	13.3	11.3
Interest income	(15.2)	(6.7)
Dividend income	–	(0.1)
Provision for impairment on vehicles and goodwill	–	9.0
Net (gain)/loss on disposal of vehicles, premises and equipment	(36.3)	14.7
Provision for accident claims	16.9	13.9
Allowance for inventory obsolescence	10.7	5.0
Allowance for expected credit losses	0.9	0.5
Others	3.0	3.1
Operating cash flows before movements in working capital	623.2	621.7
Inventories	(14.9)	4.1
Trade and other receivables	26.5	31.5
Grant receivables, net of deferred grants	(0.5)	(11.3)
Trade and other payables	76.0	93.1
Other liabilities	(11.8)	8.4
Payments of service benefits and long service awards	(1.4)	(1.2)
Payments of accident claims	(14.9)	(18.5)
Changes in working capital	59.0	106.1
Cash generated from operations	682.2	727.8
Income tax paid	(75.9)	(67.0)
Interest paid arising from leases	(4.0)	(4.3)
Net cash from operating activities	602.3	656.5
Investing activities		
Purchases of vehicles, premises and equipment	(302.4)	(223.8)
Less: Proceeds from disposal of vehicles, premises and equipment	80.1	33.9
Cash payments on purchase of vehicles, premises and equipment	(222.3)	(189.9)
Investments made	(2.1)	(2.2)
Additions to intangible assets	(2.2)	(1.9)
Acquisitions of business assets/subsidiaries, net of cash (Note 40)	(32.1)	(19.7)
Sale of business/divestment of a subsidiary, net of cash (Note (a))	0.1	5.5
Acquisition of joint ventures	(5.8)	–
Interest received	13.4	8.7
Dividend received from investments	–	0.1
Net cash used in investing activities	(251.0)	(199.4)

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

GROUP CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 $'mil	2021* $'mil
Financing activities		
New loans raised	2,468.2	2,124.1
Repayment of borrowings and lease liabilities from financial institutions	(2,518.3)	(2,268.0)
Repayment of lease liabilities	(42.2)	(30.6)
Capital contribution from non-controlling shareholder of a subsidiary	–	1.5
Dividends paid to shareholders of the Company	(137.8)	(76.5)
Dividends paid to non-controlling shareholders of subsidiaries	(33.5)	(30.9)
Purchase of treasury shares	(1.7)	(0.7)
Proceeds from exercise of share options of the Company	–	0.8
Interest paid	(9.4)	(6.9)
Net cash used in financing activities	(274.7)	(287.2)
Net effect of exchange rate changes in consolidating subsidiaries	(28.7)	6.4
Net increase in cash and cash equivalents	47.9	176.3
Cash and cash equivalents at beginning of year	919.1	742.8
Cash and cash equivalents at end of year (Note 4)	967.0	919.1

Note (a) Summary of the effects of sale of business/divestment of a subsidiary:

	2022 $'mil	2021 $'mil
Net assets on divestment:		
Current assets	19.7	–
Non-current assets	3.2	5.5
Current liabilities	(1.3)	–
Net assets divested/proceeds from divestment	21.6	5.5
Non-controlling interests	(1.8)	–
Less: Cash adjustment upon deconsolidation of a subsidiary	(19.7)	–
Cash flow from divestment, net of cash	0.1	5.5

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. CORPORATE INFORMATION

The Company (Registration No. 200300002K) is incorporated in the Republic of Singapore with its registered office and principal place of business at 205 Braddell Road, Singapore 579701. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those of investment holding and the provision of management and shared services. The principal activities of the subsidiaries and associates are described in Note 39.

The Financial Statements are expressed in Singapore dollars and all values are expressed in million ($'mil) except when otherwise indicated.

The Consolidated Financial Statements of the Group for the financial year ended 31 December 2022 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2022 were authorised for issue by the Board of Directors on 24 February 2023.

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 1967 and SFRS(I)s.

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 SFRS(I) 2, leasing transactions that are within the scope of SFRS(I) 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 Inventories or value in use in SFRS(I) 1-36.

Adoption of New and Revised Financial Standards

On 1 January 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New/Revised standards and improvements to the standards not yet adopted

The Group has not applied the following accounting standards that are relevant to the Group and have been issued as at the end of the reporting period but not yet effective:

- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies* (1)
- Amendments to SFRS(I) 1-8 *Definition of Accounting Estimates* (1)
- Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (1)
- Amendments to SFRS(I) 17 *Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information* (1)
- Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback* (2)
- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current* (2)
- Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants* (2)
- Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture* (3)

(1) Applies to annual periods beginning on or after 1 January 2023.
(2) Applies to annual periods beginning on or after 1 January 2024.
(3) Date to be determined

Management anticipates that the adoption of the above SFRS(I) pronouncements in future periods is not expected to have a material impact on the Financial Statements in the period of their initial adoption.

Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has 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.

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 Group Income Statement and Group Comprehensive Income Statement 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 those consistently used by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of consolidation (cont'd)

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.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In the Statement of Financial Position of the Company, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in Profit or Loss.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group to the former owners of the acquiree in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 Business Combinations are recognised at their fair values at the acquisition date except for deferred tax assets or liabilities which are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes. Acquisition-related costs are recognised in Profit or Loss as incurred.

The interest of the non-controlling shareholders in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Profit or Loss.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments that meet both the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through Profit or Loss ("FVTPL").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Debt instruments classified as at FVTOCI

Investments in debt instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, any gains or losses on such a financial asset are recognised in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised. When the financial asset is derecognised the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to Profit or Loss for the period.

Interest income is recognised in Profit or Loss and is included in the "Net Income from Investments" line item in Profit or Loss.

Equity instruments designated at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as FVTOCI. Designation at FVTOCI is not permitted if the equity instrument is held for trading.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value including any foreign exchange difference are recognised in Other Comprehensive Income. Such equity investments are not subject to impairment requirements. The amounts recognised in Other Comprehensive Income are not subsequently reclassified to Profit or Loss on disposal of the equity instruments.

Dividends on these investments in equity instruments are recognised in Profit or Loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Net Income from Investments" line item in Profit or Loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applies the simplified approach permitted by SFRS(I) 9 for trade receivables. The ECL on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors as well as current and forecast general economic conditions at the reporting date.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the rate of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where relevant.

A default on a financial asset is when the counterparty fails to make contractual payments within a specific period after the credit period granted.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include taking into consideration observable data about the significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Where receivables have been written off, the Group continues to recover the receivables due. Where recoveries are made, these are recognised in Profit or Loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in Profit or Loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the Investment Revaluation Reserve is reclassified to Profit or Loss. In contrast, on derecognition of an investment in equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the Investment Revaluation Reserve is not reclassified to Profit or Loss, but is transferred to Retained Earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Borrowings

Interest-bearing loans 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 in Profit or Loss over the term of the borrowings.

Trade and other payables

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.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in Profit or Loss.

Hedging instruments and hedge accounting

The Group uses hedging instruments to manage its exposure to fuel price fluctuation, interest rate and foreign exchange rate risks. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy (see Note 35).

Hedging instruments are initially recognised at fair value on the contract date, and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in Profit or Loss immediately unless the hedging instrument is designated and effective as a hedging instrument, in which event the timing of the recognition in Profit or Loss depends on the nature of the hedge relationship. The Group designates its hedging instruments as either fair value hedges or cash flow hedges.

Hedging instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of hedging instrument is classified as a non-current asset or a non-current liability if the maturity of the hedge relationship exceeds 12 months and as a current asset or current liability if the maturity of the hedge relationship is within 12 months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Hedging instruments and hedge accounting (cont'd)

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objective and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

The Group designates any interest rate swap for hedging of interest rate risk arising from borrowings as cash flow hedges. Hedges of both foreign currency risk and fuel price risk for future purchases of goods are designated as cash flow hedges.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

Note 35(c) contains details of the fair values of the hedging instruments.

Fair value hedge

Changes in the fair value of hedging instruments that are designated and qualify as fair value hedges are recorded in Profit or Loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of hedging instruments that are designated and qualify as cash flow hedges are recognised in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in Profit or Loss. Amounts recognised in Other Comprehensive Income are taken to Profit or Loss when the hedged item is realised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its properties and motor vehicles.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised 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.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (cont'd)

The Group as lessee (cont'd)

- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The lease liability is presented as a separate line in the Statements of Financial Position.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (cont'd)

The Group as lessee (cont'd)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within vehicles, premises and equipment in the Statements of Financial Position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating costs' in the Group Income Statement.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchase and those costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average and first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Vehicles, premises and equipment

Vehicles, premises and equipment are stated at cost, less accumulated depreciation and any provision for impairment.

Capital projects in progress comprising development and construction costs incurred during the period of construction are carried at cost, less any recognised provision for impairment. Depreciation on these assets, on the same basis as other vehicles, premises and equipment, commences when the assets are ready for their intended use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Vehicles, premises and equipment (cont'd)

Depreciation is charged so as to write off the cost of the assets, other than freehold land and capital projects in progress, over their estimated useful lives, using the straight-line method, on the following bases:

	Number of years
Buses	12 to 20
Leasehold land and buildings	Over the remaining lease period.
Freehold buildings	50
Taxis, motor vehicles for rental and ambulances	5 to 8
Computers and automated equipment	3 to 5
Workshop machinery, tools and equipment:	
- General workshop machinery, tools and equipment	3 to 10
- Specialised inspection and testing equipment	20
Motor vehicles:	
- Motorcycles	3
- Other motor vehicles	5 to 10
Furniture, fittings and equipment	5 to 7

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.

On disposal of an item of vehicles, premises and equipment, the difference between the sales proceeds and its carrying amount is recognised in Profit or Loss.

Fully depreciated vehicles, premises and equipment still in use are retained in the Financial Statements.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Joint-arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Joint-ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

The results and assets and liabilities of associates are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the Profit or Loss and Other Comprehensive Income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in Profit or Loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Intangible assets

<u>Intangible assets acquired separately</u>

Taxi licences and rights under contract acquired separately are recorded at cost less accumulated amortisation and any accumulated impairment losses. Taxi licences and rights under contract 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 year, with the effect of any changes in estimate being accounted for on a prospective basis. Taxi licences 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets (cont'd)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. 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 any accumulated impairment losses, on the same basis as intangible assets acquired separately.

Software development costs

Research costs are recognised as an expense when incurred. Costs directly attributable to the development of software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project.

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognised immediately in Profit or Loss.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any provision for impairment.

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 the carrying amount of the unit, the provision for impairment 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. A provision for impairment recognised for goodwill is not reversed in a subsequent period.

On divestment of a subsidiary, the attributable amount of goodwill is included in the determination of the Profit or Loss on divestment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of non-financial assets excluding goodwill

At the end of each reporting year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the provision for impairment (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.

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if 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.

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. A provision for impairment is recognised immediately in Profit or Loss.

Where provision for impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no provision for impairment been recognised for the asset (or cash-generating unit) in prior years. A reversal of provision for impairment is recognised immediately in Profit or Loss.

Service concession contracts

Certain assets of the Group are used in connection with concession contracts granted by public sector customers ("concession grantors"). The characteristics of these contracts vary by contract, nevertheless, they generally provide, directly or indirectly, for the concession grantor's involvement on one hand in determining the service and compensation, and on the other, the return of certain assets necessary to perform the service at the end of the contract.

SFRS(I) INT 12 Service Concession Arrangements, is applicable to concession arrangements comprising a public service obligation and meeting the following criteria: the concession grantor controls or regulates the services to be provided by the operator using the asset, the beneficiaries of the service and prices applied; and the concession grantor controls the residual economic value of the assets at the end of the arrangement. For the Group's contracts where SFRS(I) INT 12 applies, the related assets are not recognised as tangible assets, but as financial assets ("financial asset model") of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Service concession contracts (cont'd)

Financial asset model

The financial asset model applies if the operator has an unconditional right to receive cash or another financial asset from the concession grantor, in compensation for the concession services and assets provided by the operator. This occurs if the concession grantor contractually guarantees payment of amounts specified or determined in the contract, or of any shortfall, i.e the difference between amounts received from users of the public service and amounts specified or determined in the contract.

Financial assets resulting from the application of SFRS(I) INT 12 are recorded in the Statement of Financial Position under Trade and other receivables as Service concession receivable. They are recognised at amortised cost where the effective interest rate that indicated in the relevant contract forms the basis of recognition as the Group's revenue. The portion that matures in less than one year is presented in "current trade and other receivables" and the portion that matures in more than one year is presented in "non-current trade and other receivables".

In accordance with SFRS(I) 9 Financial Instruments, these assets are impaired using a model based on expected credit losses.

Cash flows generated by the Group in providing concession services and assets under the concession contracts are applied as receipts for the Service concession receivable, and consideration for revenue earned by the Group when it satisfies performance obligations under the contract. These cash flows are included in the Group cash flow statement as part of cash flows from operating activities.

Fuel price equalisation account

At the direction of the Public Transport Council ("PTC"), a fuel price equalisation account ("FPEA") has been set up to account for diesel price and electricity tariff adjustment charge for the purpose of mitigating the effects of any increase in fuel price and electricity tariff.

Annual contributions to the FPEA may be required as determined by the PTC, based on the reference electricity tariff and diesel price for the year.

Applications can be made to the PTC to seek approval for a draw down as may be catered for by the purpose of the FPEA mechanism, provided that the amount drawn does not exceed half of the available FPEA balance.

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 that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the present value of the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

Provision for accident claims

Claims for accident, public liability and others are provided in the Financial Statements based on the claims outstanding and the estimated amounts payable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred income

Deferred income comprises of advance receipts from customers that are recognised to Profit or Loss when the services are rendered.

Service benefits

These comprise the following:

(i) Retirement benefits

Under the Collective Agreement entered into by certain subsidiaries in Singapore with their relevant unions, a retirement benefit subject to a maximum of $3,000 is payable to an employee retiring on or after attaining the retirement age and on completion of at least five years of service.

Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at end of the reporting period and after taking into account an estimated attrition rate. The estimated attrition rate used is based on the Management's best estimate using historical trend.

(ii) Long Service Awards

Staff of certain subsidiaries in Singapore serving more than 5 years and up to 35 years are entitled to long service awards. Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees.

The provision for retirement benefits and long service awards is discounted using the market yield of Singapore Government Bonds at the end of each reporting year.

(iii) Defined Benefit Retirement Plans

The Group operates two defined benefit pension schemes ("Pension Schemes") for employees of one of its foreign subsidiaries, the assets of which are held in trustee administered funds.

The Pension Schemes were closed to future accruals in 2007 and employees were transferred to a defined contribution pension scheme.

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 year. Actuarial gains and losses arising over the financial year are recognised immediately in Other Comprehensive Income and accumulated in equity under retirement benefit reserve and are reflected in the Statement of Financial Position as a pension asset or liability as appropriate. The retirement benefit obligation recognised in the Statement of Financial Position represents the present value of the defined benefit obligation net of fair value of plan assets.

Apart from the Pension Schemes above, the Group makes contribution to pension schemes as defined by the laws of the countries in which it has operations. In particular, Singapore Companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Service benefits (cont'd)

(iv) Employee Leave Entitlement

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

(v) Share-Based Payments

The Company issued share options and share awards to certain employees and Directors within the Group. Share options and share awards are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the share options and share awards are expensed on a straight-line basis over the vesting period with a corresponding adjustment against share option and share awards reserve, based on the Company's estimate of the number of equity instruments that will eventually vest.

Fair value for the share option is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share options have been fully vested in prior years.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grant will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred grant in the Statement of Financial Position and transferred to Profit or Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants in relation to expenses incurred are recognised in Profit or Loss in the period which they become receivable.

Revenue recognition

The Group recognises revenue from the following major sources:

- Public transport services
- Taxi
- Automotive engineering services
- Inspection and testing services
- Others

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer or when services are rendered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (cont'd)

Public transport services

Revenue from public transport services comes from the provision of bus and rail services to commuters travelling on public transport systems, contracted revenue for operations of scheduled services, provision of coach rental services and provision of non-emergency transport services to patients. Revenue from transport regulators for scheduled bus services is recognised as and when services are rendered, including an estimation of the expected consideration on achieving certain performance targets. Revenue from service concession arrangements are disclosed above under Service Concession Contracts. Revenue from commuters for rail services is recognised as and when services are rendered and revenue from transport regulator for rail services relates to performance incentives for achieving certain performance and service quality targets.

Revenue from other third parties for scheduled services, coach rental services, rail services and non-emergency transport services is recognised as and when services are rendered.

Revenue from other commercial services comprises advertising and rental income. Advertising production revenue is recognised when production is completed and advertising media revenue is recognised on a time proportionate basis over the term relevant contract. Rental income is recognised on a straight-line basis over the term of the relevant lease.

Taxi

The Group provides taxi rental and other related services such as subscription and cashless payment to third parties. Revenue is recognised as and when services are rendered.

Automotive engineering services

The Group provides repair and maintenance services to taxi, buses and third parties. Revenue is recognised as and when services are rendered.

For sales of goods such as spare parts, diesel and petrol to third parties, revenue is recognised when control of the goods has been transferred to the customer, at the point where goods are delivered to the customer.

Inspection and testing services

The Group provides vehicle inspection services and other testing services. Revenue from vehicle inspection services is recognised upon completion of the inspection services.

Revenue from testing services for aerospace, marine and offshore, biotechnology, oil and petrochemical, building construction and electronics manufacturing industries is recognised upon completion of the final test report.

Others

Others include car rental and leasing, driver training and bus station operation.

Car rental and leasing and driver training revenue are recognised at point in time upon completion of the services.

Bus station operation revenue is recognised as and when services are rendered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Borrowing costs

Borrowing costs incurred to finance the purchase of assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in Profit or Loss in the period in which they are incurred.

Income tax

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation, provision for fuel equalisation and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year 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 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), 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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign currency transactions and translation (cont'd)

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting year, monetary items denominated in foreign currencies are translated at rates prevailing at the end of each reporting year. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. 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 translation of non-monetary items in respect of which gains and losses are recognised in Other Comprehensive Income. For such non-monetary items, any exchange component of that gain or loss is also recognised in Other Comprehensive Income.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (please see above for details of the Group's accounting policies in respect of such hedging instruments).

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 year. 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 accumulate in the Group's currency translation reserve. Such translation differences are recognised in Profit or Loss in the period in which the foreign operation is disposed of.

The Group has applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017. As a result, the cumulative foreign currency translation loss was reclassified from foreign currency translation reserve to accumulated profits as at 1 January 2017. After the date of transaction, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

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 the currency translation reserve.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and cash equivalents in the group cash flow statement

Cash and cash equivalents in the Group Cash Flow Statement comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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. Management is of the opinion that any instances of applications 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).

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.

3.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimates (see below) and Note 43, that Management has made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognised in the Financial Statements:

Provision for rail contract

In projecting the future financial performance of the DTL, NEL and SPLRT under the Consolidated Rail Licence as disclosed in Note 37, significant judgement is exercised in key assumptions relating to ridership, fare adjustments and availability of grants from the Authorities, taking into consideration the timing of the full recovery of travel and economic activities to pre-pandemic levels. Based on SBST's Management's assessment, no provision for rail contract is required. Accordingly, the Group has not made provision on that basis.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, 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.

3.2 Provisions

Accident claims

Claims for property damage and personal injury are provided in the Financial Statements based on the claims outstanding as of the end of the financial year and estimated amounts payable. The past claims history and payment trends are used as a basis to estimate the amounts in which the Group will have to pay to third parties for such claims. The provision for accident claims included in Note 21 is $45.3 million (2021 $44.3 million).

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

3.3 Impairment review of taxi vehicles, taxi licences, goodwill and investment in subsidiaries

The Group tests goodwill and taxi licences with infinite useful lives for impairment annually, or more frequently if there are indications that they might be impaired. Impairment assessment is also performed for taxi vehicles with finite useful lives when there is an impairment indication. The Company assess any indicator for impairment for investments in subsidiaries annually, or more frequently if there are indications that they might be impaired.

Determining whether taxi vehicles, taxi licences with infinite useful lives, goodwill and investment in subsidiaries are impaired requires an estimation of the value in use of the cash-generating units ("CGUs") to which subsidiaries, taxi vehicles, taxi licences and goodwill have been allocated (Notes 8, 12, 13 and 14). 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. A provision for impairment loss on taxi vehicles, taxi licences, goodwill and investment in subsidiaries is recognised in Profit or Loss and can be reversed in the subsequent period except for goodwill when the amount of impairment loss decreases.

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 profit margins during the period.

The Group and the Company prepare cash flow forecasts derived from the most recent financial budgets approved by Management for the next year and extrapolates cash flows based on estimated growth rate. The estimated terminal growth rate does not exceed the average long-term growth rate for the relevant markets and countries in which the CGU operates.

The discount rates applied to the forecast for the Group and the Company are based on current market assessment of the time value of money and risks specific to the business segment.

For the public transport services businesses in Australia and the United Kingdom, discount rates of 5.8% (2021: 7.0%) and 10.0% (2021: 8.2%), and terminal growth rates of 2.5% (2021: 2.5%) and 3.0% (2021: 1.5%) are applied to the forecasts respectively.

For the taxi businesses in China and Singapore, discount rates of 8.2% (2021: 8.1%) and 8.5% (2021: 7.1%), and growth rates of 3.0% (2021: Nil% to 3.0%) and Nil% (2021: Nil%) are applied to the forecasts respectively.

The expected changes to profit margins are based on past performance and Management's expectation of market development.

3.4 Allowance for inventory obsolescence

The Group's inventories comprised mainly parts, accessories and consumable stock required for the operation and maintenance of vehicles and equipment.

The terms of the rail licence contract and useful life of buses are considered in the determination of the useful life of the inventories. In addition to identification of obsolete inventories based on considerations such as phasing out of vehicle models and inventories purchased for specific projects which have ended, Management identifies inventories that are slow moving and evaluates the carrying value of inventories. An allowance for inventory obsolescence is recognised for these inventories based on its useful life and inventory turnover.

Allowance for inventory obsolescence is disclosed in Note 7.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

3.5 Useful lives of vehicles, premises and equipment

As described in Note 2 and 12, the Group reviews the estimated useful lives of vehicles, premises and equipment at the end of each annual reporting year. During the financial year, Management determined that the estimated useful lives of vehicles, premises and equipment are appropriate and no material revision is required.

3.6 Goodwill arising from acquisition of businesses

Goodwill arising from acquisition of subsidiaries during the year was determined using a purchase price allocation exercise to determine the fair value of the acquired assets and liabilities as disclosed in Note 14. Management exercised significant judgement in determining the fair value of the acquired assets and liabilities including any intangibles.

4. SHORT-TERM DEPOSITS AND BANK BALANCES

	Group		Company	
	2022 $'mil	2021 $'mil	2022 $'mil	2021 $'mil
Cash and bank balances	143.9	147.8	4.3	0.7
Fixed deposits	823.1	771.3	236.8	243.8
Total	967.0	919.1	241.1	244.5

Interest bearing bank balances bear effective interest rates ranging from 0% to 1.7% (2021: 0% to 0.4%) per annum.

Fixed deposits are placed on a staggered basis based on the Group's cashflow projections, bear effective interest rates ranging from 0.10% to 4.55% (2021: 0.03% to 6.20%) per annum. These deposits are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

5. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 $'mil	2021* $'mil	2022 $'mil	2021 $'mil
Trade receivables:				
Outside parties	364.4	393.0	–	–
Allowance for expected credit losses	(11.4)	(10.7)	–	–
Net	353.0	382.3	–	–
Service concession receivable	166.0	198.0		
Prepayments	73.8	66.8	1.5	1.6
Security deposits	7.4	8.5	0.1	0.1
Interest receivable	7.5	0.6	1.5	0.3
Retirement benefits assets (Note 22(c))	–	6.0	–	–
Lease receivables (Note 11)	–	–	14.0	17.3
Grant receivables	0.5	0.6	–	–
Others	84.4	83.4	1.9	1.5
Total	692.6	746.2	19.0	20.8
Analysed as:				
– Current	550.0	569.8	8.4	6.8
– Non-current	142.6	176.4	10.6	14.0
Total	692.6	746.2	19.0	20.8

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

The credit period on sale of goods and rendering of services ranges from 7 days to 60 days (2021: 7 days to 60 days) except for insurance claims against third parties which have no credit period due to their nature.

The Group adopts the policy of dealing only with customers of appropriate credit history. The expected risks of default on trade and other receivables at the reporting date are insignificant as majority of receivables are from the transport regulators, Government related agencies and insurance companies. Management has assessed the credit risk to be low. The receivables that are past due at the reporting date for which the Group has not provided for are insignificant. The Group does not hold any collateral over these balances.

An allowance has been made for estimated irrecoverable amounts which has been determined by reference to past default experience and expected credit losses. The expected credit losses incorporate forward looking estimates, where relevant. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, and adjust for forward-looking macroeconomic data, where relevant.

Movements in allowance for expected credit losses:

	Group	
	2022 $'mil	2021 $'mil
Balance at beginning of the year	10.7	10.8
Amounts written off during the year	(0.2)	(0.6)
Increase in allowance recognised in Profit or Loss	0.9	0.5
Balance at end of the year	11.4	10.7

6. DUE FROM SUBSIDIARIES

	Group		Company	
	2022 $'mil	2021 $'mil	2022 $'mil	2021 $'mil
Due from subsidiaries	–	–	257.0	388.0
Analysed as:				
– Current	–	–	6.3	70.9
– Non-current	–	–	250.7	317.1
Total	–	–	257.0	388.0

Included in the amount of $257.0 million (2021: $388.0 million) due from subsidiaries, $232.7 million (2021: $365.8 million) relates to loans which bear variable interest rates ranging from 2.45% to 4.07% (2021: 0.55% to 1.12%) per annum, are unsecured and net of impairment. The remaining balance of $24.3 million (2021: $22.2 million) is unsecured, interest-free and net of impairment.

7. INVENTORIES

	Group	
	2022 $'mil	2021 $'mil
Goods held for sale	8.4	8.6
Consumables, materials and supplies	152.9	139.8
Work in progress	1.2	0.5
	162.5	148.9
Allowance for inventories obsolescence	(42.4)	(32.0)
Total	120.1	116.9
Movement in allowance for obsolete inventories		
At beginning of year	32.0	27.5
Amount written off during the year	(0.3)	(0.5)
Charge to profit or loss	10.7	5.0
At end of year	42.4	32.0

8. SUBSIDIARIES

	Company	
	2022 $'mil	2021 $'mil
Quoted equity shares, at cost	93.6	93.6
Unquoted equity shares, at cost	1,141.4	1,141.4
	1,235.0	1,235.0
Impairment loss	(47.4)	(47.4)
Total	1,187.6	1,187.6
Market value of quoted equity shares	1,055.4	1,169.7
Movements in impairment loss:		
At beginning of year	47.4	36.4
Charge to profit or loss	–	11.0
At end of year	47.4	47.4

8. SUBSIDIARIES (CONT'D)

Information about the composition of the Group at the end of the financial year is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries 2022	2021
Investment holding	Singapore	7	7
Investment holding	United Kingdom	2	2
Investment holding	Australia	9	9
Bus	Singapore	1	1
Bus	United Kingdom	4	4
Bus	Ireland	2	1
Bus	Australia	30	29
Rail	United Kingdom	1	1
Advertising	Singapore	1	1
Advertising	Australia	1	1
Automotive engineering services	Singapore	1	1
Automotive engineering services	Australia	1	1
Driving centre	China	-	1
Taxi	Singapore	1	1
Taxi	Australia	3	3
Taxi	China	2	3
Taxi	United Kingdom	7	7
Car rental and leasing	Singapore	1	1
Car rental and leasing	China	-	1
Car rental and leasing	Malaysia	1	1
Insurance brokers	Singapore	1	1
Non-emergency transport services	Australia	7	7
Non-emergency transport services	Singapore	2	1
Provision of pension services	United Kingdom	1	1
Technology Services	Singapore	2	1

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries 2022	2021
Bus and rail	Singapore	1	1
Bus	United Kingdom	1	1
Rail	Singapore	1	1
Bus station	China	1	1
Driving centre	Singapore	1	1
Driving centre	China	-	2
Inspection and testing services	Singapore	5	5
Inspection and testing services	Malaysia	1	1
Inspection and testing services	China	1	1
Provision of electric vehicle infrastructure	Singapore	1	1
Taxi	Singapore	2	2
Taxi	China	7	7
Taxi	Vietnam	-	1
Provision of concrete delivery services	China	1	1

Details of subsidiaries are included in Note 39(a).

8. SUBSIDIARIES (CONT'D)

Summarised financial information of subsidiaries with material non-controlling interests

Set out below is the summarised financial information for subsidiaries that have a non-controlling interest that is material to the Group. These are presented before inter-company eliminations.

Summarised Consolidated Statement of Financial Position

	SBS Transit Ltd	
	2022 **$'mil**	**2021** **$'mil**
Current		
Assets	709.1	558.9
Liabilities	(422.3)	(383.4)
Net current assets	286.8	175.5
Non-current		
Assets	502.1	594.9
Liabilities	(144.6)	(168.8)
Net non-current assets	357.5	426.1
Net assets	644.3	601.6

Summarised Group Income Statement

	SBS Transit Ltd	
	2022 **$'mil**	**2021** **$'mil**
Revenue	1,515.3	1,310.8
Profit before Taxation	83.0	52.5
Tax expense	(14.9)	(0.9)
Profit attributable to shareholders	68.0	51.6
Other comprehensive income	(1.0)	0.5
Total comprehensive income	67.0	52.1

8. SUBSIDIARIES (CONT'D)

Summarised Group Cash Flow Statement

	SBS Transit Ltd	
	2022 **$'mil**	**2021** **$'mil**
Net cash from operating activities		
Cash generated from operations	206.0	243.0
Income tax paid	(22.0)	(17.4)
Interest paid arising from leases	(1.5)	(1.3)
Net cash from operating activities	182.5	224.3
Net cash used in investing activities	(6.3)	(32.5)
Net cash used in financing activities	(35.0)	(73.3)
Net increase in cash and cash equivalents	141.2	118.5
Cash and cash equivalents at beginning of year	204.1	85.6
Cash and cash equivalents at end of year	345.3	204.1

9. ASSOCIATES AND JOINT VENTURES

	Group	
	2022 **$'mil**	**2021** **$'mil**
Unquoted equity shares	6.4	0.6
Add: Share of post-acquisition reserves	1.0	0.2
Total	7.4	0.8

Details of associates and joint ventures are included in Note 39(b) & (c).

9. ASSOCIATES AND JOINT VENTURES (CONT'D)

Summarised financial information in respect of the Group's associates is set out below:

	Group	
	2022 $'mil	2021 $'mil
Total assets	42.7	1.5
Total liabilities	(29.5)	(0.9)
Net assets	13.2	0.6
Group's share of associates' net assets	6.5	0.2
Revenue	98.6	3.1
Profit for the year	1.6	0.2
Group's share of associates' profit	0.8	0.1

10. INVESTMENTS

	Group		Company	
	2022 $'mil	2021 $'mil	2022 $'mil	2021 $'mil
Financial assets at fair value through Other Comprehensive Income:				
Equity shares in Corporations: -				
At beginning of year	27.7	22.5	11.7	10.9
Additions	2.1	2.2	–	–
Fair value adjustment	(3.6)	2.5	(3.0)	0.8
Exchange difference	(1.0)	0.5	–	–
At end of year	25.2	27.7	8.7	11.7
Analysed as:				
– Non-current	25.2	27.7	8.7	11.7

The equity shares in corporations represent investment for long-term strategic purpose.

11. LEASE RECEIVABLES

	Company	
	2022	2021
	$'mil	$'mil
Amounts receivable under finance lease		
Within one year	3.9	3.7
Within the second to fifth year inclusive	10.8	14.7
Undiscounted lease payments	14.7	18.4
Less: Unearned finance income	(0.7)	(1.1)
Present value of lease payments receivable (Note 5)	14.0	17.3
Undiscounted lease payments analysed as:		
– Recoverable within 12 months	3.9	3.7
– Recoverable after 12 months	10.8	14.7
	14.7	18.4
Net investment in the lease analysed as:		
– Recoverable within 12 months	3.6	3.3
– Recoverable after 12 months	10.4	14.0
	14.0	17.3

The Company's lease arrangements do not include variable payments.

The average effective interest rate contracted is approximately 2.59% (2021: 2.56%) per annum.

Lease receivable balances are secured over the property leased. The Company is not permitted to sell or repledge the collateral in the absence of default by the lessee.

The unguaranteed residual value of assets leased is insignificant.

12. VEHICLES, PREMISES AND EQUIPMENT

		Group		Company	
		2022	2021*	2022	2021
		$'mil	$'mil	$'mil	$'mil
(a)	Vehicles, premises and equipment owned	1,794.6	1,879.3	10.3	4.4
(b)	Right-of-use assets classified within vehicles, premises and equipment	243.8	312.6	0.5	0.7
		2,038.4	2,191.9	10.8	5.1

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

12. VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(a) Vehicles, premises and equipment owned

The Group	Buses $'mil	Leasehold building* $'mil	Other leasehold land and buildings $'mil	Freehold land and buildings $'mil
At 1 January 2021 **	2,045.3	46.6	364.8	277.3
Arising from acquisition of subsidiaries	10.9	–	–	1.7
Arising from divestment of a subsidiary	–	–	–	–
Additions	17.3	0.3	18.7	18.0
Disposals	(179.7)	–	(5.0)	(0.6)
Reclassifications	2.0	–	25.6	(7.7)
Exchange differences	(4.1)	–	3.7	(4.6)
At 31 December 2021 **	1,891.7	46.9	407.8	284.1
Arising from acquisition of subsidiaries	14.6	–	–	–
Arising from divestment of a subsidiary	–	–	(9.3)	–
Additions	56.7	–	4.8	24.5
Disposals	(30.5)	–	(1.6)	(18.1)
Reclassifications	64.3	(0.2)	(0.7)	1.0
Exchange differences	(103.4)	–	(8.4)	(23.2)
At 31 December 2022	1,893.4	46.7	392.6	268.3
Accumulated depreciation and impairment:				
At 1 January 2021 **	1,107.6	14.8	256.9	26.0
Arising from acquisition of subsidiaries	–	–	–	–
Arising from divestment of a subsidiary	–	–	–	–
Depreciation	134.0	3.5	14.1	3.7
Impairment loss	–	–	2.7	–
Disposal	(161.8)	–	(4.9)	–
Reclassification	(6.8)	–	(0.1)	–
Exchange differences	0.2	–	(1.8)	–
At 31 December 2021 **	1,073.2	18.3	266.9	29.7
Arising from acquisition of subsidiaries	–	–	0.1	–
Arising from divestment of a subsidiary	–	–	(2.5)	–
Depreciation	118.8	3.5	14.7	4.0
Disposal	(26.8)	–	(1.3)	(1.5)
Reclassification	41.6	–	(4.7)	(0.2)
Exchange differences	(61.2)	–	(5.2)	(3.0)
At 31 December 2022	1,145.6	21.8	268.0	29.0
Net carrying amount				
At 31 December 2022	747.8	24.9	124.6	239.3
At 31 December 2021	810.3	28.6	140.9	254.4

* A leasehold building at a bus depot is stated at revalued amount being the fair value at the date of revaluation based on valuation performed by an independent external valuer. The revaluation was done by a subsidiary pursuant to the agreement in the Negotiated Contract under the Bus Contracting Model (Note 38) in Singapore. As at 31 December 2022, the carrying amount of the leasehold building would have been $8.5 million (2021: $9.7 million), had the depot been carried at cost less accumulated depreciation. On 13 June 2022, the Company signed an agreement with the Land Transport Authority on the sale and transfer of Soon Lee bus depot in 2024. The bus depot will be sold at the carrying value upon transfer in 2024, subsequent to a series of renovations and maintenance works to be completed before the handover date in 2024.

** Certain comparative figures have been restated. Please refer to Note 43 for further details.

Taxis, motor vehicles for rental and ambulances $'mil	Computers and automated equipment $'mil	Workshop machinery, tools and equipment $'mil	Motor vehicles $'mil	Furniture, fittings and equipment $'mil	Capital projects in progress $'mil	Total $'mil
1,130.8	178.8	200.2	38.4	52.1	34.4	4,368.7
–	–	0.2	0.1	–	–	12.9
(2.2)	(29.4)	(4.4)	–	–	–	(36.0)
91.4	14.3	21.5	4.1	1.7	36.5	223.8
(140.4)	(2.3)	(12.0)	(3.2)	(4.9)	(1.4)	(349.5)
10.4	4.5	(0.6)	–	–	(58.2)	(24.0)
6.5	0.5	(0.6)	(0.1)	0.3	0.2	1.8
1,096.5	166.4	204.3	39.3	49.2	11.5	4,197.7
4.2	0.1	0.1	0.1	0.1	–	19.2
(6.3)	(0.1)	(1.4)	(1.2)	(0.4)	–	(18.7)
141.5	16.7	14.4	3.7	1.5	38.6	302.4
(103.2)	(8.7)	(10.6)	(3.5)	(2.6)	–	(178.8)
14.9	4.5	(6.5)	(1.7)	(4.0)	(30.1)	41.5
(15.5)	(4.4)	(6.8)	(0.4)	(0.8)	(0.3)	(163.2)
1,132.1	174.5	193.5	36.3	43.0	19.7	4,200.1
546.9	148.5	148.4	22.7	41.3	–	2,313.1
–	0.2	(0.2)	–	–	–	–
(1.3)	(24.8)	(4.4)	–	–	–	(30.5)
135.1	18.6	13.0	5.8	3.1	–	330.9
–	–	–	–	–	–	2.7
(114.7)	(2.1)	(10.4)	(2.3)	(4.7)	–	(300.9)
(2.2)	(0.3)	(0.4)	(2.1)	(0.3)	–	(12.2)
14.3	(4.5)	(0.8)	(0.3)	–	–	7.1
578.1	135.6	145.2	23.8	39.4	–	2,310.2
–	–	–	–	–	–	0.1
(4.8)	(0.1)	(1.0)	(0.8)	(0.3)	–	(9.5)
135.3	18.4	13.0	3.4	2.9	–	314.0
(82.0)	(8.3)	(9.6)	(3.1)	(2.7)	–	(135.3)
(5.8)	(4.0)	(8.5)	(2.0)	(4.0)	–	12.4
(8.1)	(3.4)	(4.5)	(0.3)	(0.7)	–	(86.4)
612.7	138.2	134.6	21.0	34.6	–	2,405.5
519.4	36.3	58.9	15.3	8.4	19.7	1,794.6
518.4	30.8	59.1	15.5	9.8	11.5	1,879.3

12. VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(a) Vehicles, premises and equipment owned (cont'd)

The total carrying amount of the buses of the Group secured for bank loans was $91.5 million (2021: $Nil million) as disclosed in Note 16.

Of the carrying amount of taxis, motor vehicles for rental and ambulances of $519.4 million (2021: $518.4 million), $348.4 million (2021: $418.8 million) relates to taxis. The remaining balance of $171.0 million (2021: $99.6 million) relates to motor vehicles for rental and ambulances.

During the current financial year, the Group carried out a review of the recoverable amount of its taxis and other vehicles, premises and equipment and no impairment was required. In 2021, $2.7 million of impairment had been recognised in Profit or Loss. The recoverable amount of the taxis has been determined on the basis of their value in use.

	Leasehold building $'mil	Computers and automated equipment $'mil	Motor vehicles $'mil	Furniture, fittings and equipment $'mil	Capital projects in progress $'mil	Total $'mil
The Company						
Cost:						
At 1 January 2021	53.2	5.3	0.3	8.9	0.5	68.2
Additions	–	2.0	–	0.2	0.1	2.3
Transfers from capital projects in progress	–	0.5	–	–	(0.5)	–
At 31 December 2021	53.2	7.8	0.3	9.1	0.1	70.5
Additions	–	–	–	–	7.8	7.8
Transfers from capital projects in progress	–	4.6	0.2	–	(4.8)	–
At 31 December 2022	53.2	12.4	0.5	9.1	3.1	78.3
Accumulated depreciation:						
At 1 January 2021	52.4	4.3	0.1	8.2	–	65.0
Depreciation	–	0.8	0.1	0.2	–	1.1
At 31 December 2021	52.4	5.1	0.2	8.4	–	66.1
Depreciation	0.1	1.6	–	0.2	–	1.9
At 31 December 2022	52.5	6.7	0.2	8.6	–	68.0
Carrying amount:						
At 31 December 2022	0.7	5.7	0.3	0.5	3.1	10.3
At 31 December 2021	0.8	2.7	0.1	0.7	0.1	4.4

12. VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(b) Right-of-use assets classified within vehicles, premises and equipment

The Group and Company lease buses, land, buildings and advertising space on buses. The average lease term ranges from 2 to 40 years (2021: 2 to 40 years), where the Group and Company make periodic lease payments, which are used for its day to day operations.

The Group has options to purchase certain equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

	Buses $'mil	Leasehold land* $'mil	Other leasehold land and buildings $'mil	Advertising space on buses $'mil	Total $'mil
The Group					
Cost:					
At 1 January 2021 **	166.9	17.6	320.1	5.3	509.9
Additions	–	–	52.8	7.1	59.9
Arising from acquisition of subsidiaries	–	–	0.1	–	0.1
Derecognition	(0.3)	–	(5.2)	–	(5.5)
Exchange differences	2.7	–	(0.3)	–	2.4
At 31 December 2021 **	169.3	17.6	367.5	12.4	566.8
Additions	0.2	–	13.9	–	14.1
Arising from acquisition of subsidiaries	–	–	0.6	–	0.6
Derecognition	(5.4)	–	(18.0)	(0.2)	(23.6)
Reclassification	(53.8)	–	–	–	(53.8)
Exchange differences	(16.3)	–	(8.5)	–	(24.8)
At 31 December 2022	94.0	17.6	355.5	12.2	479.3
Accumulated depreciation:					
At 1 January 2021 **	56.4	5.6	151.5	4.6	218.1
Depreciation	11.2	1.3	28.2	1.9	42.6
Derecognition	–	–	(5.6)	–	(5.6)
Exchange differences	(1.0)	–	0.1	–	(0.9)
At 31 December 2021 **	66.6	6.9	174.2	6.5	254.2
Depreciation	6.9	1.3	28.0	2.6	38.8
Derecognition	(4.5)	–	(10.8)	–	(15.3)
Reclassification	(36.4)	–	–	–	(36.4)
Exchange differences	(3.3)	–	(2.5)	–	(5.8)
At 31 December 2022	29.3	8.2	188.9	9.1	235.5
Net carrying amount:					
At 31 December 2022	64.7	9.4	166.6	3.1	243.8
At 31 December 2021	102.7	10.7	193.3	5.9	312.6

* A subsidiary of the Group has secured the right-of-use of leasehold land at a bus depot with no future payments required. The leasehold land is stated at revalued amount being the fair value at the date of revaluation based on valuation performed by an independent external valuer. The revaluation was done by a subsidiary pursuant to the agreement in the Negotiated Contract under the Bus Contracting Model (Note 38) in Singapore. As at 31 December 2022, the carrying amount of the leasehold land would have been $4.3 million (2021: $4.9 million), had the leasehold land been carried at cost less accumulated depreciation.

** Certain comparative figures have been restated. Please refer to Note 43 for further details.

12. VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(b) Right-of-use assets classified within vehicles, premises and equipment (cont'd)

Buses of the Group with total carrying amounts of $64.6 million (2021: $108.1 million) are acquired under lease arrangements from financial institutions as disclosed in Note 17.

	Leasehold building $'mil
The Company	
Cost:	
At 1 January 2021	13.6
Adjustments	(2.7)
At 31 December 2021	10.9
Adjustments	(0.1)
At 31 December 2022	10.8
Accumulated depreciation:	
At 1 January 2021	9.9
Depreciation	0.3
At 31 December 2021	10.2
Depreciation	0.1
At 31 December 2022	10.3
Carrying amount:	
At 31 December 2022	0.5
At 31 December 2021	0.7

13. INTANGIBLE ASSETS

Group	Taxi licences $'mil	Rights under contract $'mil	Brands $'mil	Customer relationship $'mil	Software development costs $'mil	Total $'mil
Cost:						
At 1 January 2021	267.6	12.3	9.8	1.5	2.0	293.2
Arising from acquisition of business assets	–	1.4	–	–	–	1.4
Arising from sale of business	–	–	(0.3)	(0.9)	–	(1.2)
Additions	–	–	–	–	1.9	1.9
Exchange differences	11.8	(0.4)	0.2	–	–	11.6
At 31 December 2021	279.4	13.3	9.7	0.6	3.9	306.9
Arising from acquisition of business assets	–	0.7	–	4.4	–	5.1
Arising from sale of business	(0.8)	–	(0.4)	–	–	(1.2)
Additions	–	–	–	–	2.2	2.2
Exchange differences	(23.8)	(1.9)	(1.0)	(0.1)	–	(26.8)
At 31 December 2022	254.8	12.1	8.3	4.9	6.1	286.2
Accumulated amortisation and impairment:						
At 1 January 2021	75.2	5.5	0.5	1.0	0.4	82.6
Arising from sale of business	–	–	(0.3)	(0.9)	–	(1.2)
Amortisation	0.4	1.4	–	0.1	0.9	2.8
Impairment loss	0.8	–	–	–	–	0.8
Exchange differences	2.1	(0.2)	–	–	–	1.9
At 31 December 2021	78.5	6.7	0.2	0.2	1.3	86.9
Arising from sale of business	(0.8)	–	(0.2)	–	–	(1.0)
Amortisation	0.3	1.5	0.1	1.0	1.5	4.4
Exchange differences	(5.3)	(0.5)	–	–	(0.1)	(5.9)
At 31 December 2022	72.7	7.7	0.1	1.2	2.7	84.4
Net carrying amount:						
At 31 December 2022	182.1	4.4	8.2	3.7	3.4	201.8
At 31 December 2021	200.9	6.6	9.5	0.4	2.6	220.0

13. INTANGIBLE ASSETS (CONT'D)

Of the carrying amount of $201.8 million (2021: $220.0 million) is $181.8 million (2021: $200.3 million) of taxi licences in China and $6.6 million (2021: $8.4 million) of rights under contract and brands in the United Kingdom with indefinite lives. These taxi licenses, rights under contract and brands are not amortised because there is no foreseeable limit to the cash flows generated. The carrying amount of intangible assets with indefinite life is allocated to the respective CGUs in China and United Kingdom.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each CGU to which taxi licences is allocated as discussed in Note 3.

The remaining balance of $13.4 million (2021: $11.3 million) mainly relates to $4.6 million (2021: $5.7 million) of rights under contract in Australia, $1.3 million (2021: $1.7 million) of brands in the United Kingdom, $0.4 million (2021: $0.6 million) of taxi licences in China, $2.9 million (2021: $2.2 million) of software development costs and $3.5 million (2021: nil) of customer relationship in Singapore with finite useful lives over which the assets are amortised. The useful lives of intangible assets are ranging from 2 to 15 years (2021: 2 to 15 years).

14. GOODWILL

	Group	
	2022 $'mil	**2021 $'mil**
Cost:		
At beginning of year	673.6	681.5
Arising from acquisitions of business assets/subsidiaries* (Note 40)	13.2	5.7
Arising from sales of business	(0.9)	(0.9)
Exchange differences	(46.6)	(12.7)
At end of year	639.3	673.6
Accumulated impairment:		
At beginning of year	(26.7)	(22.1)
Impairment losses for the year	–	(5.5)
Arising from sale of business	0.9	0.9
Exchange differences	1.0	–
At end of year	(24.8)	(26.7)
Net carrying amount:		
At end of year	614.5	646.9

* Includes provisional goodwill of $13.2 million (2021: $5.7 million).

Goodwill acquired in a business combination is allocated at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

14. GOODWILL (CONT'D)

In the current financial year, the Group recognised an impairment charge of $NIL (2021: $5.5m) in relation to taxi business in Australia. This impairment charge arose as a result of the recoverable amount of the CGUs is less than the carrying amount. The impairment charge was included within "Provision for impairment on vehicles and goodwill" in the Group Income Statement.

The carrying amount of goodwill of $614.5 million (2021: $646.9 million) is allocated to the respective CGUs.

	2022 $'mil	2021 $'mil
Cash-generating units ("CGUs")		
Public Transport Services		
Australia	460.3	491.1
United Kingdom	104.0	105.2
Singapore	9.6	9.4
Taxi		
Singapore	14.7	14.7
United Kingdom	10.2	10.5
China	2.8	2.9
Others	12.9	13.1
Total	614.5	646.9

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each CGU to which goodwill is allocated as discussed in Note 3.

15. DEFERRED TAX ASSETS/LIABILITIES

	Group		Company	
	2022 $'mil	2021* $'mil	2022 $'mil	2021 $'mil
Deferred tax assets (current)	–	6.5	–	–
Deferred tax assets (non-current)	26.2	30.1	–	–
Deferred tax liabilities	(142.4)	(181.5)	(1.1)	(1.1)
Net	(116.2)	(144.9)	(1.1)	(1.1)
At beginning of year	(144.9)	(170.2)	–	(1.3)
Arising from acquisition of subsidiaries	(0.6)	(0.7)	–	–
Changes in tax rates (Note 29)	–	(6.8)	–	–
Credit to Income Statement (Note 29)	30.1	51.7	–	0.2
Utilisation of deferred tax assets under Group Relief Scheme	(5.4)	(12.2)	–	–
Underprovision in prior years (Note 29)	1.5	(4.1)	–	–
Arising from movement in Other Comprehensive Income Statement	(2.8)	(2.5)	–	–
Exchange differences	5.9	(0.1)	–	–
At end of year	(116.2)	(144.9)	(1.1)	(1.1)

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

15. DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

The balances in the accounts comprise the tax effects of:

	Group		Company	
	2022 $'mil	**2021* $'mil**	**2022 $'mil**	**2021 $'mil**
Deferred tax assets (current)				
Gain on disposal of assets	–	6.5	–	–
	–	6.5	–	–
Deferred tax assets (non-current)				
Excess of book over tax depreciation	2.9	2.2	–	–
Provisions	7.7	5.0	–	–
Tax losses	15.6	22.9	–	–
	26.2	30.1	–	–
Deferred tax liabilities				
Accelerated tax depreciation	(205.1)	(246.5)		(0.4)
Other items	62.7	65.0		(0.7)
	(142.4)	(181.5)	(1.1)	(1.1)

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

16. BORROWINGS

	Group		Company	
	2022 $'mil	**2021 $'mil**	**2022 $'mil**	**2021 $'mil**
Borrowings comprise of the following:				
(a) Short-term loans	–	1.1	–	–
(b) Long-term loans	292.2	339.9	128.5	339.9
	292.2	341.0	128.5	339.9
Analysed as:				
Current	26.8	23.9	8.6	22.8
Non-current	265.4	317.1	119.9	317.1
Total	292.2	341.0	128.5	339.9

16. BORROWINGS (CONT'D)

(a) Short-term loans

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'mil	**$'mil**	**$'mil**	**$'mil**
Bank loans				
– secured	–	1.1	–	–
Total	–	1.1	–	–

There are no unsecured bank loans in 2022 (2021: $nil).

The secured bank loans of $1.1 million in 2021 are secured on fixed deposits for a 12 months tenure and bear floating interest rate of 4.0% per annum.

(b) Long-term loans

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'mil	**$'mil**	**$'mil**	**$'mil**
Bank loans				
– unsecured	128.5	339.9	128.5	339.9
– secured	163.7	–	–	–
Total	292.2	339.9	128.5	339.9
Less: Amount due for settlement within 12 months (shown as Current liabilities):				
Bank loans				
– unsecured	8.6	22.8	8.6	22.8
– secured	18.2	–	–	–
Total	26.8	22.8	8.6	22.8
Amount due for settlement after 12 months	265.4	317.1	119.9	317.1
The borrowings are repayable as follows:				
On demand or within one year	26.8	22.8	8.6	22.8
In the second to fifth year inclusive	265.4	317.1	119.9	317.1
Total	292.2	339.9	128.5	339.9

16. BORROWINGS (CONT'D)

(b) Long-term loans (cont'd)

(i) In 2022, $292.2 million (2021: $339.9 million) bears floating interest rates ranging from 1.06% to 4.06% (2021: 1.06% to 1.08%) per annum.

(ii) The fair values of the Group's long-term loans approximate their carrying amount.

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group Cash Flow Statement as cash flows from financing activities.

			Non-cash changes		
	1 January 2022 $'mil	Financing cash flows [i] $'mil	Exchange differences $'mil	New leases $'mil	31 December 2022 $'mil
Loans	341.0	(17.6)	(31.2)	–	292.2
Lease liabilities from financial institutions	58.3	(32.5)	(4.4)	–	21.4
Lease liabilities	218.7	(42.2)	(6.2)	19.2	189.5
Total	618.0	(92.3)	(41.8)	19.2	503.1

			Non-cash changes		
	1 January 2021 $'mil	Financing cash flows [i] $'mil	Exchange differences $'mil	New leases $'mil	31 December 2021 $'mil
Loans	463.7	(112.5)	(10.2)	–	341.0
Lease liabilities from financial institutions	88.6	(31.4)	1.1	–	58.3
Lease liabilities	188.9	(30.6)	0.4	60.0	218.7
Total	741.2	(174.5)	(8.7)	60.0	618.0

[i] The cash flows make up the net amount of new loans raised and repayment of borrowings in the Group Cash Flow Statement.

17. LEASE LIABILITIES FROM FINANCING INSTITUTIONS

	2022 $'mil	2021 $'mil
Maturity analysis:		
Within one year	13.0	29.3
Within the second to fifth year inclusive	8.7	31.2
	21.7	60.5
Less: Future finance charges	(0.3)	(2.2)
	21.4	58.3
Analysed as:		
– Current	12.7	28.0
– Non-current	8.7	30.3
	21.4	58.3

The Group's policy is to lease certain of its buses from financial institutions. The lease terms range from 5 to 15 years (2021: 5 to 15 years). The effective borrowing rates was 1.12% (2021: 0.63% to 8.23%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in the respective entities' functional currencies.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under these leases are secured by the lessors' title to the leased assets (see Note 12).

18. LEASE LIABILITIES

	Group		Company	
	2022 $'mil	2021 $'mil	2022 $'mil	2021 $'mil
Maturity Analysis:				
Within one year	33.3	32.0	5.1	4.8
Within the second to fifth year inclusive	94.4	105.3	15.3	20.4
After five years	89.9	114.2	–	–
	217.6	251.5	20.4	25.2
Less: Future finance charges	(28.1)	(32.8)	(1.0)	(1.5)
	189.5	218.7	19.4	23.7
Analysed as:				
– Current	37.6	33.3	4.7	4.3
– Non-current	151.9	185.4	14.7	19.4
	189.5	218.7	19.4	23.7

The above represents leases for certain buses, land, buildings and advertising space on buses of the Group. The weighted average incremental borrowing rate was 2.38% (2021: 2.35%).

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 $'mil	2021 $'mil	2022 $'mil	2021 $'mil
Outside parties	243.9	238.3	0.5	2.2
Accruals	514.9	453.8	15.6	13.3
Deposits received - current (Note 22(a))	46.1	53.9	0.1	–
Deferred income from customers	25.3	28.3	–	–
Others	2.0	1.3	4.0	–
Total	832.2	775.6	20.2	15.5
Due to subsidiaries	–	–	260.1	247.5

The credit period on purchases of goods and services ranges from 7 days to 120 days (2021: 7 days to 120 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

Of the amount of $260.1 million (2021: $247.5 million) due to subsidiaries, $185.0 million (2021: $226.0 million) represents funds under central pooling which bear variable interest at rates ranging from 2.96% to 4.55% (2021: 0.10% to 0.48%) per annum, unsecured and repayable on demand. $46.4 million (2021: $nil) relates to loans which bear a variable interest rate of 3.34% per annum and are unsecured. The remaining balance of $28.7 million (2021: $21.5 million) is interest-free, unsecured and repayable on demand.

20. DEFERRED GRANTS

	Group		Company	
	2022 $'mil	2021 $'mil	2022 $'mil	2021 $'mil
Deferred grants	4.9	5.4	–	–
Analysed as:				
– Current	0.6	0.6	–	–
– Non-current	4.3	4.8	–	–
Total	4.9	5.4	–	–

Non-current deferred grants relate to capital grants.

21. PROVISION FOR ACCIDENT CLAIMS

	Group	
	2022 $'mil	2021 $'mil
At beginning of year	44.3	48.7
Charges	16.9	13.9
Payments	(14.9)	(18.5)
Exchange differences	(1.0)	0.2
At end of year	45.3	44.3

The provision for accident claims represents the estimated amount which certain subsidiaries will have to pay to outside parties for accident claims involving the Group's vehicles (Note 3).

22. OTHER LIABILITIES

	Group		Company	
	2022 $'mil	2021 $'mil	2022 $'mil	2021 $'mil
Other liabilities comprised:				
(a) Deposits received	36.5	47.9	–	–
(b) Provision for service benefits and long service award	18.1	17.6	–	–
(c) Retirement benefits obligation	3.2	–	–	–
Deferred income	5.0	10.5	–	–
Provision for reinstatement and maintenance	4.3	–	–	–
Others	0.8	0.8	–	–
Total	67.9	76.8	–	–

(a) Deposits received

	The Group	
	2022 $'mil	2021 $'mil
Deposits received from taxi hirers	82.6	101.8
Less: Due within 12 months (Note 19)	(46.1)	(53.9)
Due after 12 months	36.5	47.9

Deposits received from taxi hirers are repayable at the end of the taxi hire agreement. Deposits that are not expected to be repaid within the next twelve months after the reporting year based on past trend of termination of taxi hire agreements are presented as a non-current liability. The carrying amount of the deposits approximates their fair value.

22. OTHER LIABILITIES (CONT'D)

(b) Provision for service benefits and long service awards

	Group		Company	
	2022 $'mil	2021 $'mil	2022 $'mil	2021 $'mil
At beginning of year	17.6	18.4	–	0.1
Charges	1.9	0.4	–	–
Payments	(1.4)	(1.2)	–	(0.1)
At end of year	18.1	17.6	–	–

(c) Retirement benefits obligations

A subsidiary provides pension arrangement to its employees through two defined benefit pension schemes, namely the Metroline Pension Scheme and the Metroline London Northern Pension Scheme (the "Pension Schemes"). In 2007, the employees of the Pension Schemes were transferred to a defined contribution pension scheme and the Pension Schemes ceased active accrual of benefits.

	Group	
	2022 $'mil	2021 $'mil
Reconciliation of the assets and liabilities in the Statement of Financial Position:		
Present value of defined benefit obligations that are wholly or partly funded	108.6	170.4
Fair value of plan assets at end of year	(105.4)	(176.4)
Net liability recognised in other liabilities (non-current) at end of year	3.2	–
Net asset recognised in trade and other receivables (non-current) at end of year (Note 5)	–	(6.0)

23. SHARE CAPITAL

	Group and Company			
	2022	2021	2022	2021
	Number of ordinary shares (million)		$'mil	$'mil
Issued and paid-up:				
At beginning of year	2,167.5	2,166.9	694.4	693.4
Exercise of share options	–	0.5	–	0.8
Issued shares under share award scheme	–	0.1	–	0.2
At end of year	2,167.5	2,167.5	694.4	694.4

23. SHARE CAPITAL (CONT'D)

As at 31 December 2022, the total number of issued shares was 2,167,447,913 (31 December 2021: 2,167,447,913). Excluding treasury shares, the total number of issued shares was 2,166,107,463 (31 December 2021: 2,166,984,163).

Details of the outstanding share options of the Company as at the end of the financial year are set out in paragraph 4 of the Directors' Statement and in Note 27(c).

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.

24. TREASURY SHARES

	Group and Company			
	2022	2021	2022	2021
	Number of ordinary shares (thousands)		$'mil	$'mil
At beginning of year	464	134	0.7	0.2
Repurchased during the year	1,284	463	1.7	0.7
Transferred to share-based payments	(408)	(133)	(0.6)	(0.2)
At end of year	1,340	464	1.8	0.7

During the current financial year, the Company acquired its own shares 1,284,200 (2021: 462,500) through purchases on the Singapore Exchange. The Company transferred 407,500 (2021: 132,500) ordinary shares to employees upon vesting of shares released under the CDG ESAS during the financial year ended 31 December 2022.

As at 31 December 2022, the total number of treasury shares was 1,340,450 or 0.0619% of issued share capital excluding treasury shares (31 December 2021: 463,750 or 0.0214%).

25. OTHER RESERVES

	Group		Company	
	2022 $'mil	2021 $'mil	2022 $'mil	2021 $'mil
Merger reserve:				
At beginning and end of year	31.4	31.4	31.4	31.4
Statutory reserve:				
At beginning of year	40.2	39.4	–	–
Transfer from accumulated profits	(0.3)	0.8	–	–
At end of year	39.9	40.2	–	–
Retirement benefit reserve:				
At beginning of year	(41.2)	(48.2)	–	–
Actuarial adjustment on defined benefit plans	(6.9)	7.0	–	–
At end of year	(48.1)	(41.2)	–	–
Investment revaluation reserve:				
At beginning of year	(78.5)	(80.7)	(71.1)	(71.9)
Fair value gain/(loss) on investments	(3.6)	2.2	(3.0)	0.8
At end of year	(82.1)	(78.5)	(74.1)	(71.1)
Hedging reserve:				
At beginning of year	0.5	–	–	–
Fair value gain/(loss) on cash flow hedges	(0.9)	0.5	–	–
At end of year	(0.4)	0.5	–	–
Others:				
At beginning of year	118.4	117.9	1.4	1.1
Recognition of share-based payments	1.1	0.7	0.9	0.7
Transfer from treasury shares to share-based payments	(0.6)	(0.2)	(0.6)	(0.2)
Others	0.9	–	–	(0.2)
At end of year	119.8	118.4	1.7	1.4
Net	60.5	70.8	(41.0)	(38.3)

25. OTHER RESERVES (CONT'D)

Merger reserve represents the difference between the fair value of the share capital of the combining entities in a combination involving entities under common control at the date on which it was acquired by the Group and the fair value of the share capital issued as consideration of the acquisition.

Included in investment revaluation reserve is a cumulative amount of $82.1 million (2021: $78.5 million) that upon disposal will not be reclassified subsequently to the Income Statement.

Others comprise mainly asset revaluation reserve, capital reserve and share option reserve.

26. REVENUE

Revenue comprises the following amounts:

	Group	
	2022	**2021***
	$'mil	**$'mil**
Public transport services	3,013.4	2,786.2
Taxi	437.8	426.1
Automotive engineering services	128.7	101.8
Inspection and testing services	106.0	98.5
Others	94.9	90.2
	3,780.8	3,502.8

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

Majority of the contracts relates to provision of public transport services to the transport regulators in Singapore, Australia and the United Kingdom for periods ranging from 1 to 11 years (2021: 1 to 11 years).

The Group has the right to consideration from customers in amounts that corresponds directly with the performance of the services completed and has applied the practical expedient for transaction price allocated to the remaining performance obligations.

Included in the revenue from transport services are performance incentives from transport regulators for achieving certain performance and service quality targets. These performance incentives accounted for not more than 2% (2021: 2%) of the total revenue.

Out of the total revenue, 87% (2021: 88%) is recognised over time, largely contributed by Public Transport Services, Taxi and Car Rental and Leasing segments, including rental income disclosed in Note 34. The revenue arising from the remaining segments are recognized at a point in time. Please refer to Note 32(i) for further details.

27. STAFF COSTS

(a) The remuneration of the Directors (executive and non-executive) and key executives comprises mainly of short-term benefits amounting to $10.6 million (2021: $7.4 million).

		Group	
		2022 $'mil	2021 $'mil
(b)	Cost of defined contribution plan (included in staff costs)	156.3	151.2
	Government grant (included in staff costs)	–	(65.8)

The employees of the Company and some of the subsidiaries are members of a defined contribution retirement scheme. The Company and these subsidiaries are required to contribute a specified percentage of their payroll costs to the retirement scheme to fund the benefits. The only obligation of the Company and these subsidiaries with respect to the scheme is to make the specified contributions.

In 2021, the Group received wage support for local employees under the JSS from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Government grant is recognised in Profit or Loss on a systemic basis over the period impacted by COVID-19 in which the related staff costs for which the grant is intended to compensate is recognised as expenses. No government grant related to JSS was received during the current financial year (2021: $61.4 million).

(c) Share-based payments (included in staff costs)

Share option schemes

The Company and its listed subsidiaries had share option schemes for certain employees and Directors of the respective companies. These share option schemes expired in prior years and had not been renewed. Information on the share option plans is disclosed in paragraph 4 to the Directors' Statement. Options are exercisable at a subscription price determined with reference to the market price of the shares at the time of grant of the options. If the options remain unexercised after a period of 10 years (5 years for non-executive Directors) from the date of the grant, the options expire. Options granted will lapse when the option holder ceases to be a full-time employee or a Director of the Group, subject to certain exceptions at the discretion of the Nominating and Remuneration Committee.

27. STAFF COSTS (CONT'D)

(c) Share-based payments (included in staff costs) (cont'd)

Share option schemes (cont'd)

Details of the share options outstanding during the year are as follow:

The Company

	2022		2021	
	Number of Share options	Weighted average exercise price $	Number of Share options	Weighted average exercise price $
Outstanding at the beginning of the year	1,225,000	1.46	2,003,000	1.46
Lapsed during the year	(1,225,000)	1.46	(300,000)	1.37
Exercised during the year	–	–	(478,000)	1.48
Outstanding at the end of the year	–		1,225,000	
Exercisable at the end of the year	–		1,225,000	

The weighted average share price at the date of share options being exercised during the year was $nil (2021: $1.77). As at 31 December 2022, there were no outstanding share options as all share options had expired on 19 Jun 2022.

Share awards scheme

The Company

On 6 May 2021, the Company granted the third tranche of share awards of 755,000 (2021: 770,000) ordinary shares pursuant to the CDG ESAS to selected employees of the Group. This included an award of 200,000 (2021: 200,000) ordinary shares to Executive Director, Mr Yang Ban Seng. These are time-based awards to be vested over a 4-year period. 407,500 treasury shares have been transferred to the participants upon vesting of the first tranche of 25% of shares awards granted pursuant to the CDG ESAS during the financial year.

27. STAFF COSTS (CONT'D)

(c) Share-based payments (included in staff costs) (cont'd)

Share awards scheme (cont'd)

Since the adoption of the CDG ESAS, a total of 2,605,000 share awards were granted. Details of the share award granted, vested and cancelled and the number of unvested share awards outstanding at the end of the financial years are as follows:

	Number of share awards				
Date of grant	**Balance at 1 January 2022**	**Granted**	**Vested**	**Cancelled**	**Balance at 31 December 2022**
6 May 2019	212,500	–	(101,250)*	(13,750)	97,500
6 May 2020	382,500	–	(121,250)*	(26,250)	235,000
6 May 2021	770,000	–	(185,000)*	(45,000)	540,000
6 May 2022	–	755,000	–	–	755,000
Total	1,365,000	755,000	(407,500)	(85,000)	1,627,500

* All of the ordinary shares were delivered by way of the issue of treasury shares.

SBS Transit Ltd

On 12 July 2022, the Company granted the first tranche of share awards of 411,000 (2021: NIL) ordinary shares pursuant to the SBS ESS to selected employees of the Group. This included an award of 30,000 (2021: NIL) ordinary shares to Deputy Chairman, Mr Cheng Siak Kian and 25,000 (2021: NIL) ordinary shares to Group Chief Executive Officer, Mr Sim Vee Ming. These are time-based awards to be vested over a 4-year period.

Since the adoption of the SBS ESS, a total of 411,000 (2021: Nil) share awards were granted. Details of the share awards granted, vested and lapsed and the number of unvested share awards outstanding as at the end of the financial year is as follows:

	Number of share awards			
Date of grant	**Balance at 1 January 2022**	**Granted**	**Lapsed**	**Balance at 31 December 2022**
12 July 2022	–	411,000	7,500	403,500

28. FINANCE COSTS

	Group	
	2022 $'mil	2021 $'mil
Interest expense on:		
Loans	7.6	4.7
Lease liabilities from financial institutions	1.7	2.3
Lease liabilities	4.0	4.3
Total	13.3	11.3

29. TAXATION

	Group	
	2022 $'mil	2021* $'mil
Taxation charge (credit) comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	86.0	83.8
Deferred taxation relating to the origination and reversal of temporary differences (Note 15)	(30.1)	(51.7)
Deferred taxation relating to change in tax rates (Note 15)	–	6.8
	55.9	38.9
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(0.2)	(1.2)
Deferred taxation (Note 15)	(1.5)	4.1
	54.2	41.8

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

Domestic income tax is calculated at 17% (2021: 17%) of the estimated assessable profit for the year. Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions, ranging from 19% to 30% (2021: 19% to 30%), which are higher than the domestic income tax rate.

29. TAXATION (CONT'D)

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2022 $'mil	2021* $'mil
Profit before Taxation	272.7	194.7
Income tax expense calculated at 17% (2021: 17%)	46.4	33.1
Effect of items that are not allowable in determining taxable profit	3.0	(10.0)
Effect of different tax rates of subsidiaries operating in other jurisdictions	7.8	8.2
Effect of change in tax rates in other jurisdictions	–	6.8
Under provision in prior years	(3.3)	2.9
Other items	0.3	0.8
	54.2	41.8

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to $1.2 million (2021: $0.7 million) and the resultant deferred tax benefits of $0.3 million (2021: $0.1 million). These future income tax benefits in respect of unutilised tax losses are available for an unlimited future period only if the respective subsidiaries derive future assessable income of a nature and of sufficient amounts to enable the benefits to be realised and the conditions for deductibility imposed by law, including the retention of majority shareholders, as defined, are complied with. No deferred tax asset will be recognised if future profit streams of these subsidiaries is unpredictable.

30. PROFIT AFTER TAXATION

Profit after taxation is arrived at after charging (crediting):

	Group	
	2022 $'mil	2021* $'mil
Amortisation of intangible assets	4.4	2.8
Depreciation expense from vehicles, premises and equipment and right-of-use assets	352.8	373.5
Provision for impairment on vehicles and goodwill	–	9.0
Gain on sale of UK property	(37.2)	–
Net loss on disposal of vehicles, premises and equipment	0.9	14.7
Allowance for expected credit losses	0.9	0.5
Allowance for inventory obsolescence	10.7	5.0
COVID-19 Government reliefs	(19.6)	(84.6)
Share-based payment expenses	1.1	0.7
Directors' fees	1.9	2.0
Audit fees:		
Auditors of the Company	0.9	0.6
Auditors of subsidiaries	1.8	1.0
Non-audit fees:		
Auditors of the Company	–	0.3
Auditors of subsidiaries	0.5	1.8

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

Excluding the COVID-19 Government reliefs of $19.6 million (2021: $84.6 million), the Group would have recorded an Operating profit of $250.4 million (2021: Operating profit of $115.2million).

31. EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2022 $'mil	2021* $'mil
Net profit attributable to shareholders of the Company ($'mil)	173.1	123.0
Weighted average number of ordinary shares in issue (million)	2,166.7	2,167.2
Basic earnings per share (in cents)	7.99	5.68

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

31. EARNINGS PER SHARE (CONT'D)

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from share options.

	Group	
	2022 $'mil	2021* $'mil
Net profit attributable to shareholders of the Company ($'mil)	173.1	123.0
Weighted average number of ordinary shares in issue (million)	2,166.7	2,167.2
Adjustments for share options (million)	–	0.1
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,166.7	2,167.3
Diluted earnings per share (in cents)	7.99	5.68

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

32. SEGMENT INFORMATION

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is organised on a world-wide basis into 7 major operating divisions:

(a) Public transport services

Income is generated substantially from the provision of bus and rail services to commuters travelling on public transport systems (including service concession arrangements), contracted revenue for operation of scheduled services, provision of coach rental services, provision of non-emergency transport services to patients and ancillary advertisement income.

(b) Taxi

Income is generated through renting out taxis, operating taxi bureau services and ancillary advertisement income.

(c) Automotive engineering services

Income is generated through provision of vehicular maintenance and repair services, crash repair services, engineering services, sale of diesel and petrol and electric vehicle charging services.

(d) Inspection and testing services

Income is generated through the provision of motor vehicle inspection services and provision of non-vehicle testing, inspection and consultancy services.

32. SEGMENT INFORMATION (CONT'D)

(e) Driving centre

Income is generated through operating driving schools.

(f) Car rental and leasing

Income is generated through renting and leasing of cars.

(g) Bus station

Income is generated mainly through commission income from fare collection.

Segment revenue and expenses: Segment revenue and expenses are the operating revenue and expenses reported in the Group's Income Statement that are directly attributable to a segment and the relevant portion of such revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories, intangible assets, goodwill, vehicles, premises and equipment, right-of-use assets, net of allowances and provisions. Capital additions include the total cost incurred to acquire vehicles, premises and equipment and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables, accruals, deferred grants, deposits, provisions, lease liabilities from financial institution and lease liabilities.

Inter-segment transfers: Inter-segment revenue and expenses include transfers between business segments. Inter-segment sales are based on prices as determined between the parties. These transfers are eliminated on consolidation.

32. SEGMENT INFORMATION (CONT'D)

(i) Business segments

2022	Public transport services $'mil	Taxi $'mil	Automotive engineering services $'mil	Inspection and testing services $'mil	Driving centre $'mil	Car rental and leasing $'mil	Bus station $'mil	Elimination $'mil	Total $'mil
Revenue									
External sales	3,013.4	437.8	128.7	106.0	52.4	34.8	7.7	–	3,780.8
Inter-segment sales	0.5	–	73.7	2.3	0.1	–	–	(76.6)	–
Total	3,013.9	437.8	202.4	108.3	52.5	34.8	7.7	(76.6)	3,780.8
Result									
Operating profit	154.9	52.1	10.5	32.6	18.8	3.2	(2.1)	–	270.0
Net Income from investments									15.2
Finance costs									(13.3)
Share of results of associates and joint ventures									0.8
Profit before Taxation									272.7
Taxation									(54.2)
Profit after Taxation									218.5
Non-Controlling Interests									(45.4)
Profit Attributable to Shareholders of the Company									173.1
External revenue from contracts with customers									
– Over time	2,822.8	426.5	–	–	–	34.8	–	–	3,284.1
– At a point in time	190.6	11.3	128.7	106.0	52.4	–	7.7	–	496.7
Total	3,013.4	437.8	128.7	106.0	52.4	34.8	7.7	–	3,780.8
Other information									
Additions to vehicles, premises and equipment	115.0	82.7	2.6	6.5	4.4	91.0	0.2	–	302.4
Additions to intangible assets	–	2.2	–	–	–	–	–	–	2.2
Additions to goodwill	13.2	–	–	–	–	–	–	–	13.2
Depreciation expense	187.1	129.5	2.5	7.1	4.8	19.6	2.2	–	352.8
Amortisation expense	2.5	1.9	–	–	–	–	–	–	4.4

32. SEGMENT INFORMATION (CONT'D)

(i) Business segments (cont'd)

2022	Public transport services $'mil	Taxi $'mil	Automotive engineering services $'mil	Inspection and testing services $'mil	Driving centre $'mil	Car rental and leasing $'mil	Bus station $'mil	Total $'mil
STATEMENT OF FINANCIAL POSITION								
Assets								
Segment assets	2,013.7	700.3	40.3	110.6	14.8	166.5	14.3	3,060.5
Goodwill	573.9	27.7	–	11.4	–	1.5	–	614.5
Associates and joint ventures								7.4
Cash, fixed deposits and investments								992.2
Deferred tax assets								26.2
Consolidated total assets								4,700.8
Liabilities								
Segment liabilities	851.4	186.4	52.2	56.6	27.0	13.7	13.9	1,201.2
Borrowings								292.2
Income tax payable								65.6
Deferred tax liabilities								142.4
Consolidated total liabilities								1,701.4

32. SEGMENT INFORMATION (CONT'D)

(i) Business segments (cont'd)

2021*	Public transport services $'mil	Taxi $'mil	Automotive engineering services $'mil	Inspection and testing services $'mil	Driving centre $'mil	Car rental and leasing $'mil	Bus station $'mil	Elimination $'mil	Total $'mil
Revenue									
External sales	2,786.2	426.1	101.8	98.5	52.2	25.9	12.1	–	3,502.8
Inter-segment sales	0.5	–	72.6	2.4	0.1	–	–	(75.6)	–
Total	2,786.7	426.1	174.4	100.9	52.3	25.9	12.1	(75.6)	3,502.8
Result									
Operating Profit	120.5	18.5	10.7	30.6	14.9	3.0	1.6	–	199.8
Net Income from Investments									6.1
Finance Costs									(11.3)
Share of results of associates and joint ventures									0.1
Profit before Taxation									194.7
Taxation									(41.8)
Profit after Taxation									152.9
Non-Controlling Interests									(29.9)
Profit Attributable to Shareholders of the Company									123.0
External revenue from contracts with customers									
– Over time	2,651.0	419.2	–	–	–	25.9	–	–	3,096.1
– At a point in time	135.2	6.9	101.8	98.5	52.2	–	12.1	–	406.7
Total	2,786.2	426.1	101.8	98.5	52.2	25.9	12.1	–	3,502.8
Other information									
Additions to vehicles, premises and equipment	92.3	79.2	2.6	15.7	4.4	28.9	0.7	–	223.8
Additions to intangible assets	–	1.9	–	–	–	–	–	–	1.9
Additions to goodwill	5.7	–	–	–	–	–	–	–	5.7
Depreciation expense	204.4	136.6	2.8	7.3	5.0	15.1	2.3	–	373.5
Amortisation expense	1.4	1.4	–	–	–	–	–	–	2.8
Provision for impairment loss recognised in Income Statement	–	5.5	–	–	3.5	–	–	–	9.0

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

32. SEGMENT INFORMATION (CONT'D)

(i) Business segments (cont'd)

2021*	Public transport services $'mil	Taxi $'mil	Automotive engineering services $'mil	Inspection and testing services $'mil	Driving centre $'mil	Car rental and leasing $'mil	Bus station $'mil	Total $'mil
STATEMENT OF FINANCIAL POSITION								
Assets								
Segment assets	2,220.0	786.0	36.5	110.8	17.2	95.4	17.4	3,283.3
Goodwill	605.7	28.1	–	11.4	0.2	1.5	–	646.9
Associates								0.8
Cash, fixed deposits and equities								946.8
Deferred tax assets								36.6
Consolidated total assets								4,914.4
Liabilities								
Segment liabilities	865.3	189.0	42.5	68.9	25.0	10.6	17.8	1,219.1
Borrowings								341.0
Income tax payable								64.4
Deferred tax liabilities								181.5
Consolidated total liabilities								1,806.0

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

32. SEGMENT INFORMATION (CONT'D)

(ii) Geographical segments

	Revenue		Non-current assets*		Additions to non-current assets*	
	2022 $'mil	2021 Restated $'mil	2022 $'mil	2021 Restated $'mil	2022 $'mil	2021 Restated $'mil
Geographical Location						
Singapore	2,197.0	1,903.4	1,183.5	1,236.5	199.8	130.7
United Kingdom/ Ireland	795.3	807.2	512.3	565.3	57.6	17.2
Australia	690.1	665.4	879.9	949.3	31.0	48.5
China	96.2	124.2	275.2	301.2	28.7	32.3
Malaysia	2.0	1.9	3.8	3.7	0.7	0.6
Vietnam	0.2	0.7	–	2.8	–	2.1
Total	3,780.8	3,502.8	2,854.7	3,058.8	317.8	231.4

* Comprising vehicles, premises and equipment, intangible assets and goodwill.

33. COMMITMENTS

As at 31 December, the Group has the following commitments:

Capital commitments contracted for but not provided for in the Financial Statements:

	Group	
	2022 $'mil	2021 $'mil
Purchase of equipment	16.7	13.5
Purchase of buses, taxis and motor vehicles	74.3	43.6
Purchase of computer systems	4.0	8.8
Development of bus depots and properties	8.7	44.7
Total	103.7	110.6

34. OPERATING LEASE ARRANGEMENTS

The Group as lessee

As at 31 December 2022, the Group committed to $0.3 million (2021: $0.2 million) for leases exempted under SFRS(I) 16.

The Group as lessor

The Group rents out certain of its properties and vehicles in Singapore, the United Kingdom and China under operating leases. Rental income earned during the year was $139.8 million (2021: $154.9 million).

At the end of the reporting year, the Group has contracted with counter parties for the following future minimum lease payments:

	Group	
	2022	**2021**
	$'mil	**$'mil**
Within one year	115.2	141.5
In the second to fifth year inclusive	118.4	271.2
After five years	1.0	2.2
Total	234.6	414.9

35. 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 and Company			
	2022	**2021***	**2022**	**2021**
	$'mil	**$'mil**	**$'mil**	**$'mil**
Financial Assets				
Amortised cost	1,585.3	1,597.9	515.5	651.7
Equity instruments classified as at FVTOCI	25.2	27.7	8.7	11.7
Financial instruments designated in hedge accounting relationships				
– Hedging instruments	–	0.7	–	–
Financial Liabilities				
Amortised cost	1,448.5	1,514.7	424.8	626.6

* Certain comparative figures have been restated. Please refer to Note 43 for further details.

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives

The main areas of financial risk faced by the Group are foreign exchange rate risk, interest rate risk, credit risk, liquidity risk and fuel price risk. The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. It is the Group's policy not to participate in speculative financial instruments. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

(i) Foreign exchange risk management

The Group manages its foreign exchange exposure by matching revenue and costs in the relevant currencies to create a natural hedge and also through active currency management using hedging instruments such as forwards and options where necessary. The Group's revenue is mainly denominated in Singapore Dollar ("SGD") with the remaining in Great British Pound ("GBP"), Renminbi ("RMB"), Australian Dollar ("AUD"), Euro ("EUR"), Malaysian Ringgit ("MYR") and Vietnamese Dong ("VND"). On the cost side, its foreign currency exposures include United States Dollar ("USD"), GBP, RMB, AUD, Swedish Kroner ("SEK"), EUR, MYR and VND. The Group has investments in the United Kingdom, China, Australia, Ireland, Malaysia and Vietnam. Net translation risks are regularly monitored and the Group currently does not seek to hedge this exposure as it does not impact cash flows.

Foreign currency sensitivity

The bulk of the Group's foreign currency exposures are in the functional currencies of its respective operations. Exposures to foreign currencies that are non-functional are actively managed as part of the overall foreign exchange risk management. Based on sensitivity analysis performed, Management has assessed that exposure to changes in foreign exchange rates arising from assets and liabilities denominated in non-functional currencies of entities in the Group is minimal.

(ii) Interest rate risk management

The Group's primary interest rate risk relates to its borrowings, investments in fixed income securities and deposits. The Group uses hedging instruments such as interest rate swaps and caps, where necessary, to achieve the desired interest rate profile in its effort to manage interest rate risk. The Group may borrow at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates.

Interest rate sensitivity

The Group has interest-bearing assets such as fixed income securities and deposits as well as interest-bearing liabilities. Any change in interest rate affecting the interest-bearing assets shall have an offsetting impact from the interest-bearing liabilities. Based on sensitivity analysis performed at the end of the reporting year, Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on the profit or other comprehensive income of the Group is insignificant.

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Credit risk management

The Group has minimal credit risk arising from its commuter transport operations as the majority of revenue is collected in cash upfront or from the transport regulator in the case of Singapore, United Kingdom and Australia. For the other operations, credit risk is also minimised via upfront deposits, strict credit terms and regular monitoring of debtors' financial standing. The Group enters into treasury transactions only with creditworthy institutions. Its investments in fixed income instruments are above investment grade as assigned by international credit-rating agencies. In its management of credit risk, the Group practises stringent credit review and sets counterparty credit limits. There is no significant concentration of credit risk.

Cash and deposits are kept with reputable financial institutions. There is no significant concentration of credit risk.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk as disclosed in the notes to the Financial Statements.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

(iv) Liquidity risk management

The Group funds its operations through a mix of internal funds and bank borrowings. It regularly reviews its liquidity position comprising free cash flows from its operations and credit lines from banks to ensure its ability to access funding at any time at the best possible rates.

(v) Fuel price risk management

Fuel, comprising diesel and electricity, is part of the operating costs of the Group. The Group is also exposed to fluctuations in fuel price in its bus and rail operations and diesel and petrol sales business. The Group seeks to hedge the price risk associated with its fuel needs after considering fuel indexation in its contracts with various local authorities and uses hedging instruments, where necessary, to achieve the desired hedge outcome.

Based on sensitivity analysis performed and taking into account the fuel hedges in place, as at the end of the reporting year, every one percentage point change in the rates of diesel, petrol and electricity using the closing rates as at the end of the reporting year as a basis will impact the Group's annual fuel and electricity costs by $0.5 million (2021: $0.6 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2021.

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(vi) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the Financial Statements.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) quoted prices in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (Level 3).

The majority of the fair value of the Group's investments are classified into Level 1. The Group's hedging instruments, if any, are classified into Level 2. Fair value of the financial instruments classified in Level 3 is insignificant. There are also no transfers between Levels 1 and 2 of the fair value hierarchy during the financial year.

(c) Hedging instruments

The Group utilises hedging instruments to hedge significant future transactions and cash flows.

The Group's hedging instruments are measured at fair value whereby future cash flows are estimated based on contracted rates and observable forward rates at the end of the reporting year, discounted at a rate that reflects the credit risk of the various counterparties.

At the end of the reporting year, the Group has outstanding fuel hedge with notional amounts totalling $27.2 million (2021: $6.6 million).

At the end of the reporting year, the Group has outstanding foreign exchange hedge with notional amounts totalling $11.0 million (2021: $9.3 million)

The fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the reporting year, comprised $0.7 million of liabilities (2021: $0.7 million of assets) was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income.

The Group uses forward contracts and options to manage its exposure to foreign exchange risks. These arrangements are designed to address foreign exchange risk on future purchases of goods and are accounted for as cash flow hedges.

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Hedging instruments (cont'd)

The Group uses fuel hedging contracts to manage its exposure to fuel price risks. These arrangements are designed to address fuel price exposure on future purchases of fuel and are accounted for as cash flow hedges.

(d) Capital risks 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 shareholders through the optimisation of the debt and equity balance.

Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt. The Group's debt capital refers to borrowings comprising loans under Notes 16(a) and 16(b) and lease liabilities from financial institutions under Note 17 while equity refers to total equity.

No changes were made in the objectives, policies or processes during the years ended 2022 and 2021.

(e) The following are the expected contractual undiscounted cash outflows (including interest payments) of the Group's debt capital (comprises loans and lease liabilities):

		Contractual cash flows				Effective
2022	**Carrying amount $'mil**	**Total $'mil**	**1 year $'mil**	**Within 2 to 5 years $'mil**	**Beyond 5 years $'mil**	**interest rate %**
Financial liabilities						
Loans:						
In functional currencies	292.2	330.0	39.5	290.5	–	1.1% to 4.1%
Lease liabilities from financial institutions:						
In functional currencies	21.4	21.7	13.0	8.7	–	1.12%
Lease liabilities:						
In functional currencies	189.5	217.6	33.3	94.4	89.9	1.2% to 4.7%
Total	503.1	569.3	85.8	393.6	89.9	

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(e) The following are the expected contractual undiscounted cash outflows (including interest payments) of the Group's financial liabilities: (cont'd)

2021	Carrying amount $'mil	Contractual cash flows Total $'mil	1 year $'mil	Within 2 to 5 years $'mil	Beyond 5 years $'mil	Effective interest rate %
Financial liabilities						
Loans:						
In functional currencies	341.0	344.8	24.2	320.6	–	1.1% to 4.0%
Lease liabilities from financial institutions:						
In functional currencies	58.3	60.5	29.3	31.2	–	0.6% to 8.2%
Lease liabilities:						
In functional currencies	218.7	251.5	32.0	105.3	114.2	0.9% to 4.4%
Total	618.0	656.8	85.5	457.1	114.2	

36. DIVIDENDS

(a) During the current financial year, the Company paid dividends as follows:

	2022 $'mil	2021 $'mil
Tax-exempt one-tier final dividend in respect of the previous financial year: – 2.10 cents (2021: 1.43 cents) per ordinary share	45.5	31.0
Tax-exempt one-tier interim dividend in respect of the current financial year – 2.85 cents (2021: 2.10 cents) per ordinary share	61.8	45.5
Tax-exempt one-tier special dividend in respect of the current financial year – 1.41 cents (2021: nil) per ordinary share	30.5	–
Total	137.8	76.5

36. DIVIDENDS (CONT'D)

(b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 1.76 cents per ordinary share totalling $38.1 million and a tax-exempt one-tier special dividend of 2.46 cents per ordinary share totalling $53.3 million be paid for the financial year ended 31 December 2022. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

Together with the tax-exempt one-tier interim dividend of 2.85 cents per ordinary share (2021: 2.10 cents per ordinary share) and tax-exempt one-tier special dividend of 1.41 cents per ordinary share (2021: nil), total distributions paid and proposed in respect of the financial year ended 31 December 2022 will be 8.48 cents per ordinary share (2021: 4.20 cents per ordinary share).

37. LICENCE FOR RAIL SERVICES

Consolidated Rail Licence as part of NRFF (Version 2)

On 11 November 2021, a subsidiary of the Group, SBS Transit Ltd ("SBST") entered into a framework agreement with LTA and SBS Transit DTL Pte. Ltd. (now known as SBS Transit Rail Pte. Ltd.) to transit the DTL to NRFF (Version 2). Under this framework agreement, LTA will issue a Consolidated Rail Licence to SBS Transit Rail Pte. Ltd., to operate the DTL, NEL and SPLRT. The NRFF (Version 2) is designed to reduce commercial volatility for rail operators in delivering a reliable and financially sustainable public rail service.

The Consolidated Rail Licence took effect from 1 January 2022 to operate the NEL, SPLRT and the DTL for a period of 11 years. This Consolidated Rail Licence supersedes the licence granted to NEL, SPLRT dated 1 April 2018 and the licence granted to DTL dated 19 December 2013.

Under NRFF Version 2, LTA owns and pay for the operating assets, including additions, renewals and replacements. In exchange for the right to operate, maintain and derive revenue from the Licensed Systems, SBST will pay an annual licence charge to the LTA over the licence period. The licence charge structure under the NRFF provides for some sharing between SBST and LTA of the revenue risks under the Fare Revenue Shortfall Sharing as well as profit sharing via an Earnings Before Interest and Tax Cap/Collar. These are explained below:

(i) Fare Revenue Shortfall Sharing ("FRSS")

The licence charge structure has a FRSS mechanism which offers some level of protection against revenue risks arising from uncertainties in ridership and fares. Under this mechanism, if the actual revenue falls short of the target revenue by 2% to 6%, LTA will share 50% of the shortfall. If the shortfall between the actual revenue and the target revenue exceeds 6%, LTA will bear 75% of the incremental revenue shortfall beyond 6%.

37. LICENCE FOR RAIL SERVICES (CONT'D)

(ii) Earnings Before Interest and Tax ("EBIT") Cap / Collar

The licence charge structure provides for profit sharing via an EBIT (as computed in accordance with the licence agreement) cap and collar mechanism whereby LTA shares in the upside of the EBIT above the cap as well as the downside risks below the collar. If the EBIT margin is lower than 3.50%, LTA will share 50% of the shortfall. LTA's sharing of the shortfall is limited by the amount of licence charge payable by the SBS Transit Rail Pte.Ltd. for the year. If the EBIT margin exceeds the cap of 5%, the excess will be shared via a tiered structure, whereby 85% to 95% of the incremental EBIT above the 5% cap will be shared with LTA.

LTA's sharing under the FRSS and/or the EBIT Cap/Collar is limited by the amount of licence charge payable by the SBS Transit Rail Pte.Ltd. for the year.

In addition, the LTA may reimburse or be reimbursed by SBS Transit Rail Pte.Ltd. when new regulatory changes initiated by LTA after the transition lead to changes in operating costs or revenue. Regulatory changes that may impact operating costs or revenue include modifications to operating performance standards for the rail lines, maintenance performance standards for the operating assets, key performance indicators or codes of practice and changes in rentable and advertising spaces available for generating non-fare revenue.

38. CONTRACTS UNDER THE BUS CONTRACTING MODEL ("BCM")

A subsidiary of the Group, SBST entered into public bus services contracts (collectively known as the "Negotiated Contract") with LTA for the operation of public bus services under the BCM. The Negotiated Contract was effective from 1 September 2016 following the expiry of the Bus Service Operating Licence on 31 August 2016. Under the Negotiated Contract, SBST operates a total of 8 bus packages with an average contract period of 7 years. The 8 bus packages are: Bukit Merah, Sengkang-Hougang, Bedok, Jurong West, Tampines, Serangoon-Eunos, Clementi and Bishan-Toa Payoh. The contracted expiry dates of the 8 bus packages range from 2018 to 2026 and any further extension may be granted at the sole discretion of LTA.

As part of the Negotiated Contract, SBST leases its fleet of close to 2,900 buses to LTA. In consideration of SBST using its fleet for the provision of the bus services, LTA pays a leasing fee based on the depreciation of the buses over the statutory lifespan. LTA also pays a leasing fee for the use of the other existing assets of SBST (bus depot and related equipment) based on the depreciation of such assets.

Subsequent to the Negotiated Contract, SBST was awarded the Seletar Bus Package in April 2017 and the Bukit Merah Bus Package (the first among the 8 bus packages within the Negotiated Contract to expire) in February 2018 respectively through the tender process conducted by LTA. Both bus packages secured through the tender process have a contract period of five years which can be extended by another two years. The Seletar and Bukit Merah Bus Packages had commenced operations from March 2018 and November 2018 respectively.

Among the seven negotiated contract packages, one was extended on 1 September 2022 for three years while another five were extended by an average of three years from their original service terms as part of the transition of DTL to NRFF (Version 2).

38. CONTRACTS UNDER THE BUS CONTRACTING MODEL ("BCM") (CONT'D)

Including the two bus packages secured through tender, SBST operates a total of 9 bus packages which cover a total of 218 bus services, 7 bus depots, 1 bus park, 18 bus interchanges and 15 bus terminals. The fleet size required to operate the 9 packages is around 3,500 buses.

Under the BCM, LTA retains all fare revenue collected from the provision of the bus services. Revenue for SBST is derived from the provision of bus services which comprises service fee and leasing fee. The service fee is indexed to changes in wage levels, inflation and fuel costs. In addition, SBST retains revenue from other commercial services comprising advertising and rental.

SBST performance will be assessed annually under an incentive-disincentive framework including key performance indicators such as bus service availability, bus punctuality and maintenances of buses, bus interchanges, bus depots and bus ticketing system.

In addition to operating and managing bus services to specified performance standards, SBST's responsibilities include the following:

(a) Operate, manage and maintain the buses and their on-board equipment;

(b) Operate, and maintain the bus interchanges, bus depots including the equipment and systems therein;

(c) Operate the buses, bus depots and related equipment that are provided by LTA for the provision of the Bus Services

(d) Charge and collect fares as approved by the PTC, on behalf of LTA, for travel on the bus services;

(e) Provide bus service information at all bus stops and bus interchanges served by the bus services; and

(f) Provide customer management services, such as lost and found service, and a hotline for commuter feedback and enquiries.

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS

(a) Subsidiaries

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022 %	Group's effective interest 2021 %
Quoted equity shares				
SBS Transit Ltd (16) (21)	Provision of public bus and rail services	Singapore	74.43	74.43
VICOM Ltd (16) (21)	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	67.06	67.06
Unquoted equity shares				
Braddell Limited (3)	Investment holding	United Kingdom	100	100
CityCab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	53.50	53.50
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100
Unquoted equity shares				
ComfortDelGro Bus Pte Ltd	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Driving Centre Pte Ltd	Operation of a driving school	Singapore	90	90
ComfortDelGro Engineering Pte Ltd	Operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel and petrol for motor vehicles	Singapore	100	100
ComfortDelGro Rent-A-Car Pte Ltd	Provision of car rental, car care and leasing services	Singapore	100	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	100	100

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022 %	Group's effective interest 2021 %
Unquoted equity shares (cont'd)				
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100
SBS (Guangzhou) Pte Ltd [20]	Inactive	Singapore	100	100
Moove Media Pte Ltd	Provision of advertising services	Singapore	100	100
CityFleet Networks Limited [9]	Provision and management of taxi booking services	United Kingdom	100	100
Swan Taxis Pty Ltd [3]	Provision of taxi services	Australia	100	100
ComfortDelGro Corporation Australia Pty Ltd [3]	Investment holding and provision of management services	Australia	100	100
ComfortDelGro Insurance Brokers Pte Ltd	Insurance broking, risk management, claims management related activities	Singapore	100	100
ComfortDelGro Ventures Pte Ltd	Investment holding	Singapore	100	100
Fringe Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro MedCare Pte Ltd	Medical escort and transport services	Singapore	100	100
ComfortDelGro Transit Pte Ltd	Investment holding	Singapore	100	100
CDG Zig Pte Ltd	Provision of technology services	Singapore	100	100
Subsidiary of SBS Transit Ltd:				
SBS Transit Rail Pte Ltd [16] [22]	Provision of public rail services	Singapore	74.43	74.43
SBS Transit Mobility Pte Ltd [16] [19]	Supporting Services to Land Transport N.E.C.	Singapore	74.43	–

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022 %	Group's effective interest 2021 %
Subsidiaries of VICOM Ltd:				
JIC Inspection Services Pte Ltd (16)	Vehicle inspection and other related services	Singapore	52.31	52.31
Setsco Services Pte Ltd (16)	Provision of testing, inspection and consultancy services	Singapore	67.06	67.06
VICOM Inspection Centre Pte Ltd (16)	Provision of vehicle inspection services	Singapore	67.06	67.06
Subsidiaries of Setsco Services Pte Ltd:				
Setsco Services (M) Sdn Bhd (1)	Provision of testing, inspection and consultancy services	Malaysia	67.06	67.06
Setsco Consultancy International Pte Ltd (16)	Provision of professional inspection and engineering services	Singapore	67.06	67.06
Subsidiary of ComfortDelGro Medcare Pte Ltd:				
Ming Chuan Transportation Pte Ltd (19)	Provision of non-emergency ambulance services	Singapore	90	–
Subsidiary of Comfort (China) Pte Ltd:				
Suzhou Comfort Taxi Co., Ltd (2)	Provision of taxi services	China	70	70
Subsidiaries of Braddell Limited:				
ComfortDelGro Irish Citylink Limited (3)	Provision of coach services	Ireland	100	100
Metroline Limited (3)	Investment holding	United Kingdom	100	100
Metroline Rail Limited (20)	Inactive	United Kingdom	100	100
Scottish Citylink Coaches Limited (3)	Provision of long distance coach services	United Kingdom	62.5	65
New Adventure Travel Limited (9)	Provision of public bus and coach services	United Kingdom	100	100

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022 %	Group's effective interest 2021 %
Subsidiaries of Metroline Limited:				
Metroline Travel Limited [28]	Provision of public bus Limited	United Kingdom	100	100
Metroline West Limited [28]	Provision of public bus Limited	United Kingdom	100	100
Subsidiary of ComfortDelGro Irish Citylink Limited:				
Evobus & Coach Limited [19] [20]	Provision of coach services	Ireland	100	–
Subsidiary of CityCab Pte Ltd:				
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	46.92	46.92
Subsidiary of ComfortDelGro Engineering Pte Ltd:				
ComfortDelGro Engie Pte. Ltd.	Provision of electric vehicle services	Singapore	51	51
Subsidiaries of CityFleet Networks Limited:				
London Citycab Limited Plc [9] [17]	Provision of taxi services	United Kingdom	100	100
Computer Cab (Aberdeen) Limited [9]	Provision of taxi services	United Kingdom	100	100
Flightlink International Limited [9]	Provision of private hire services	United Kingdom	100	100
Computer Cab (Liverpool) Limited [9]	Provision of taxi services	United Kingdom	100	100
Westbus Coach Services Limited [9]	Provision of coach services	United Kingdom	100	100
Argyle Satellite Ltd [9]	Provision of taxi and private hire services	United Kingdom	100	100
Argyle Satellite Contract Services Ltd [9]	Provision of taxi and private hire services	United Kingdom	100	100

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022 %	Group's effective interest 2021 %
Subsidiaries of ComfortDelGro (China) Pte Ltd:				
Beijing Jin Jian Taxi Services Co., Ltd (6)	Provision of public taxi services through the rental of taxis to hirers	China	55	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd (5)	Inactive	China	80	80
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd (18)	Operation of a driving school	China	–	95
Chengdu ComfortDelGro Taxi Co., Ltd (8)	Provision of public taxi services through the rental of taxis to hirers	China	100	100
CityCab (Shenyang) Co., Ltd (4)	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	100	100
ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd (18)	Provision of cars for hire	China	–	100
Guangzhou Xin Tian Wei Transportation Development Co., Ltd (10)	Provision of bus station services	China	60	60
Jilin ComfortDelGro Taxi Co., Ltd (11)	Provision of public taxi services through the rental of taxis to hirers	China	97	97
Nanjing ComfortDelGro Dajian Taxi Co., Ltd (15)	Provision of public taxi services through the rental of taxis to hirers and vehicle repair.	China	70	70
Nanjing ComfortDelGro Xixia Driver Training Co., Ltd (18)	Operation of a driving school	China	–	60
Nanning Comfort Transportation Co., Ltd (12)	Provision of public taxi services through the rental of taxis to hirers	China	80	80

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022 %	Group's effective interest 2021 %
Subsidiaries of ComfortDelGro (China) Pte Ltd: (cont'd)				
Shanghai City Qi Ai Taxi Services Co., Ltd (14)	Provision of public taxi services through the rental of taxis to hirers	China	51	51
Shenyang ComfortDelGro Taxi Co., Ltd (4)	Provision of public taxi services through the rental of taxis to hirers	China	80	80
Guangxi ComfortDelGro Logistics Co. Ltd (12)	Provision of concrete delivery services	China	60	60
Subsidiary of Chengdu ComfortDelGro Taxi Co., Ltd:				
Chengdu ComfortDelGro Shengduo Consulting Co., Ltd (18)	Inactive	China	–	100
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:				
CityLimo Leasing (M) Sdn Bhd (13)	Provision of car leasing services	Malaysia	100	100
Vietnam Taxi Co., Ltd (18)	Provision of taxi services	Vietnam	–	70
Subsidiary of Swan Taxis Pty Ltd:				
ComfortDelGro Swan Pty Ltd (3)	Provision of taxi services	Australia	100	100
Subsidiaries of ComfortDelGro Corporation Australia Pty Ltd:				
Westbus Region 1 Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC NSW Pty Ltd (3)	Provision of public bus services	Australia	100	100
Hillsbus Co Pty Ltd (3)	Provision of public bus services	Australia	100	100
Hunter Valley Buses Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC Travel Pty Ltd (3)	Provision of charter, coach and terminal services	Australia	100	100

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022 %	Group's effective interest 2021 %
Subsidiaries of ComfortDelGro Corporation Australia Pty Ltd: (cont'd)				
CDC Victoria Pty Ltd (3)	Investment holding	Australia	100	100
CDC National Pty Ltd (3)	Investment holding	Australia	100	100
Blue Mountains Transit Pty Ltd (3)	Provision of public bus and charter services	Australia	100	100
Western Sydney Repair Centre Pty Ltd (3)	Provision of accident and other repair and maintenance services	Australia	100	100
CDC Commercial Bus Company Pty Ltd (3)	Provision of public bus and charter services	Australia	100	100
FCL Holdings Pty Limited (3)	Investment holding	Australia	100	100
National Patient Transport Pty Ltd (3)	Investment holding	Australia	100	100
Buslink Pty Ltd (3)	Investment holding	Australia	100	100
Buslink Southern Pty Ltd (3)	Investment holding	Australia	100	100
B&E Blanch Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC Western Australia Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC Fleet Pty Ltd (3)	Provision of taxi operations	Australia	100	100
Moove Media Australia Pty Ltd (7)	Provision of advertising services	Australia	100	100
Subsidiary of CDC NSW Pty Ltd:				
CDC NSW Region 1 Pty Ltd (3) (19)	Provision of public bus services	Australia	100	–
CDC NSW Region 4 Pty Ltd (3) (23)	Provision of public bus services	Australia	100	100
CDC NSW Region 12 Pty Ltd (3) (24)	Provision of public bus services	Australia	100	100
CDC NSW Region 14 Pty Ltd (3) (25)	Provision of public bus services	Australia	100	100

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022 %	Group's effective interest 2021 %
Subsidiaries of CDC Victoria Pty Ltd:				
CDC Sunshine Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC Geelong Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC Oakleigh Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC Wyndham Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC Altona Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC Ballarat Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC Eastrans Pty Ltd (3)	Provision of public bus services	Australia	100	100
CDC Tullamarine Pty Ltd (3)	Provision of public bus services	Australia	100	100
Subsidiary of CDC National Pty Ltd:				
Qcity Transit Pty Ltd (3)	Provision of public bus services	Australia	100	100
Subsidiaries of National Patient Transport Pty Ltd:				
National Patient Transport NSW Pty Ltd (3)	Provision for non-emergency transport services to patients	Australia	100	100
National Patient Transport Qld Pty Ltd (3)	Provision for non-emergency transport services to patients	Australia	100	100
National Patient Transport WA Pty Ltd (3)	Provision for non-emergency transport services to patients	Australia	100	100
National Patient Transport SA Pty Ltd (3)	Provision for non-emergency transport services to patients	Australia	100	100
NPT Heart Pty Ltd (3)	Provision for non-emergency transport services to patients	Australia	100	100
Platinum Healthcare Pty Ltd (3)	Provision for non-emergency transport services to patients	Australia	100	100

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022 %	Group's effective interest 2021 %
Subsidiaries of National Patient Transport Pty Ltd: (cont'd)				
National Patient Transport Vic Pty Ltd [(3)]	Provision for non-emergency transport services to patients	Australia	100	100
Subsidiaries of FCL Holdings Pty Ltd:				
FCL Finance Pty Limited [(3)]	Provision of public bus services	Australia	100	100
Forest Coach Lines Pty Limited [(3)]	Provision of public bus services	Australia	100	100
Terrey Hills Depot Holdings Pty Limited [(3)]	Investment holding	Australia	100	100
Subsidiaries of Buslink Pty Ltd and Buslink Southern Pty Ltd:				
CDC Gladstone Pty Ltd [(3)]	Provision of public bus and charter services	Australia	100	100
CDC South East Queensland Pty Ltd [(3]	Provision of public bus and charter services	Australia	100	100
CDC Broken Hill Pty Ltd [(3)]	Provision of public bus and charter services	Australia	100	100
CDC Mildura Pty Ltd [(3)]	Provision of public bus and charter services	Australia	100	100
Tropic Sun Pty Ltd [(3)]	Investment holding	Australia	100	100
Subsidiaries of Buslink Pty Ltd:				
CDC Darwin Pty Ltd [(3) (26)]	Provision of public bus and charter services	Australia	100	100
CDC Regional NT Pty Ltd [(3) (27)]	Provision of public bus and charter services	Australia	100	100

Note:

All Singapore companies (except for SBS Guangzhou Pte Ltd) are audited by Ernst & Young LLP, Singapore except for certain subsidiaries as indicated below.

(1) Audited by WT Ng & Co, Malaysia.

(2) Audited by Jiangsu Gongzheng Tianye Certified Public Accountants Co., Ltd, China.

(3) Audited by overseas practices of Ernst & Young LLP.

(4) Audited by Reanda Certified Public Accountants (Special General Partnership) Liaoning Branch, China.

(5) Audited by Beijing Dongshen Dingli International Certified Public Accountants Co., Ltd, China.

(6) Audited by Zhong Zheng Tian Tong Certified Public Accountants Co., Ltd, China.

(7) Audited by LBW & Partners, Australia. During the financial year, Moove Media Pte Ltd disposed 100% of its interest in Moove Media Australia Pty Ltd to ComfortDelGro Corporation Australia Pty Ltd as part of the reconstructuring and consolidation of the Group's businesses in Australia.

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

(a) Subsidiaries (cont'd)

(8) Audited by Sichuan Tong Ze Certified Public Accountants Co., Ltd, China.
(9) Audited by AZETS Audit & Accounting LLP, United Kingdom.
(10) Audited by Guangzhou Orient Certified Public Accountants Co., Ltd, China.
(11) Audited by Jilin Hua Tai Certified Public Accountants Co., Ltd, China.
(12) Audited by Guangxi Broad Way Certified Public Accountants Co., Ltd, China.
(13) Audited by Bahudin & Associates, Malaysia.
(14) Audited by Shanghai Gong Xin Zhong Nan Certified Public Accountants Co., Ltd, China.
(15) Audited by Zhongshen Zhonghuan Certified Public Accountants Co., Ltd, China.
(16) Audited by Deloitte Touche LLP, Singapore.

Other information

(17) Previously known as Computer Cab plc.
(18) Disposed during the financial year.
(19) Incorporated during the financial year.
(20) These subsidiaries are insignificant and unaudited.
(21) Listed on the Singapore Exchange Securities Trading Limited.
(22) Previously known as SBS Transit DTL Pte Ltd.
(23) Previously known as CDC Sydney Region 9 Pty Ltd.
(24) Previously known as CDC Melbourne Transit Pty Ltd.
(25) Previously known as CDC Sydney Pty Ltd.
(26) Previously known as Buslink NT Pty Ltd.
(27) Previously known as Buslink Alice Springs Pty Ltd.
(28) Applies audit exemption.

Compliance with Listing Rules:

The Group is in compliance with Listing Rules 712 and 715 of The Singapore Exchange Securities Trading Limited as suitable auditing firms have been appointed to meet the Group's audit obligations. In accordance to Rule 716, the Audit and Risk Committee and Board of Directors of the Company confirm that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

39. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

(b) Associates

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022	Group's effective interest 2021
Unquoted equity shares				
PBA Transit Planning Pty Ltd [1]	Provision of consultancy services for bus planning and scheduling activities	Australia	49	49
Setsco Middle East Laboratory LLC [2]	Provision of testing, inspection, training, certification and consultancy services	UAE	32.83	32.83
ComfortDelGro Engie Solar Pte Ltd [3] [5]	Provision of solar energy infrastructure	Singapore	49	–

(c) Joint Ventures

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2022	Group's effective interest 2021
Auckland One Rail Limited [3] [4]	Provision of public rail services	New Zealand	50	–
GA 31559 AB [3] [6]	Investment holding	Sweden	39.996	–
Redbus CDC NSW Pty Ltd [3] [6]	Investment holding	Australia	50	–

Note:

(1) The associate is insignificant. Previously known as Phillip Boyle & Associates Pty Ltd.

(2) The associate was set up on 30 November 2010 and has been dormant since 2012. The accounts have not been audited and are insignificant to the Group.

(3) Incorporated during the financial year.

(4) Audited by RSM NZ.

(5) Audited by Mazars LLP.

(6) The accounts have not been audited and are insignificant to the Group.

(d) Related company transactions

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.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

40. ACQUISITION OF BUSINESS ASSETS/NEW SUBSIDIARIES

During the current financial year, the Group acquired 90% of the issued share capital in Ming Chuan Transportation Pte Ltd, certain business assets from Keydale Pty Ltd, Keydale Holdings Pty Ltd, Barry Stephen Rothery and Roslyn Ann Rothery ("Rothery's Coaches business") in Australia, the entire issued share capital of Evobus and Coach Limited and certain business assets from Stagecoach Group plc, Stagecoach Services Limited, Midland Red (South) Limited, Stagecoach Bus Holdings Limited and Stagecoach Devon Limited ("Stagecoach") in the United Kingdom, for a cash consideration of $8.5m, $7.2m, $17.1m and an allotment and issuance of shares $2.8m respectively. These transactions have been accounted for by the acquisition method of accounting.

In prior year, acquisition of certain business assets related to acquisitions from KA & VK Stubbs Pty Ltd ("Stubbs") and Young's Bus Services.

Consideration transferred (at acquisition date fair values)

	2022 $'mil	2021 $'mil
Ming Chuan Transportation Pte Ltd	8.5	–
Rothery's Coaches business	7.2	–
Evobus and Coach Limited	17.1	–
Stagecoach	2.8	–
Stubbs	–	2.0
Young's Bus Services	–	17.7
Total purchase consideration for new acquisitions	35.6	19.7

Acquisition-related costs have been excluded from the consideration transferred and have been recognised as an expense in the period, within the "Other operating costs" line item in the Group Income Statement.

Assets acquired and liabilities assumed at the date of acquisition

	2022 $'mil	2021 $'mil
Current assets	0.5	0.1
Non-current assets	22.0	14.4
Current liabilities	(0.1)	–
Non-current liabilities	–	(0.5)
Net assets acquired and liabilities assumed	22.4	14.0
Provisional goodwill arising on acquisitions	13.2	5.7
Purchase consideration for new acquisitions	35.6	19.7

40. ACQUISITION OF BUSINESS ASSETS/NEW SUBSIDIARIES (CONT'D)

Assets acquired and liabilities assumed at the date of acquisition (cont'd)

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

The finalisation of the goodwill amount is dependent on the completion of the valuation of net assets acquired.

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

Net cash outflow on acquisition of subsidiaries

	2022 $'mil	2021 $'mil
Purchase consideration	35.6	19.7
Less: Consideration paid by issuance of shares	(2.8)	–
Consideration paid in cash	32.8	19.7
Less: Non-controlling interest	(0.4)	–
Less: Cash and cash equivalent balances acquired	(0.3)	–
	32.1	19.7

41. CONTINGENT EVENT

13 Bus Captains commenced legal proceedings against the Company between 20 September 2019 and 1 March 2021 in relation to, inter alia, working hours, rest days, overtime pay and allowances. During the year, the High Court dismissed the claims of one of the 13 Bus Captains, who did not appeal the decision. At the date of this report, the remaining 12 Bus Captains have yet to take any further step or proceeding. As at 31 December 2022, Management is of the view that no provision is required with regard to the above.

42. SUBSEQUENT EVENTS

There are no known subsequent events which have led to adjustments to this set of Financial statements.

CDC NSW Pty Ltd, a wholly-owned subsidiary of the Group, entered into contract for sale for a parcel of land with expected completion in 2023. This asset has been reclassified to non-current assets held for sale at its carrying amount at year end.

43. RESTATEMENT OF COMPARATIVE INFORMATION

The Group reviewed the accounting policy for bus contract in Australia relating to the treatment applied by an operator in a public–to–private service concession arrangement, and updated it in accordance with SFRS(I) INT 12 Service Concession Arrangements for infrastructure (in this case moveable assets) that is determined to be controlled by the concession grantor. Applying the financial asset model, the investments in infrastructure assets are accounted for as financial receivables included in trade and other receivables within the Group's Statement of Financial Position, resulting in changes to the recognition of revenue and expenses of the Group.

Some of the Group's contracts are in scope of SFRS(I) INT 12. As a result, certain line items have been restated in the Statement of Financial Position, Group Income Statement, Group Comprehensive Income Statement, Group Cash Flow Statement, Statement of Changes in Equity and the related notes to the financial statements. The items were restated as follows:

Restated Statement of Financial Position as at 1 January 2021:

	Group 1 January 2021		
	$'mil Reported	$'mil Adjustment	$'mil Restated
ASSETS			
Current assets			
Trade and other receivables	553.5	35.5	589.0
Total current assets	1,424.2	35.5	1,459.7
Non-current assets			
Trade and other receivables	6.7	199.5	206.2
Vehicles, premises, equipment	2,604.1	(266.6)	2,337.5
Total non-current assets	3,534.4	(67.1)	3,467.3
Total assets	4,958.6	(31.6)	4,927.0
LIABILITIES AND EQUITY			
Non-current liabilities			
Deferred tax liabilities	210.7	(10.1)	200.6
Total non-current liabilities	877.4	(10.1)	867.3
Total Liabilities	1,889.9	(10.1)	1,879.8
Capital, reserves and non-controlling interests			
Foreign currency translation reserve	(20.2)	–	(20.2)
Retained earnings	1,913.9	(21.5)	1,892.4
Equity attributable to shareholders of the Company	2,646.7	(21.5)	2,625.2
Total equity	3,068.7	(21.5)	3,047.2
Total liabilities and equity	4,958.6	(31.6)	4,927.0

43. RESTATEMENT OF COMPARATIVE INFORMATION (CONT'D)

Restated Statement of Financial Position as at 31 December 2021:

	Group 31 December 2021		
	$'mil Reported	$'mil Adjustment	$'mil Restated
ASSETS			
Current assets			
Trade and other receivables	537.5	32.3	569.8
Total current assets	1,588.3	32.3	1,620.6
Non-current assets			
Trade and other receivables	10.7	165.7	176.4
Vehicles, premises, equipment	2,430.5	(238.6)	2,191.9
Total non-current assets	3,366.7	(72.9)	3,293.8
Total assets	4,955.0	(40.6)	4,914.4
LIABILITIES AND EQUITY			
Non-current liabilities			
Deferred tax liabilities	194.2	(12.7)	181.5
Total non-current liabilities	828.6	(12.7)	815.9
Total liabilities	1,818.7	(12.7)	1,806.0
Capital, reserves and non-controlling interests			
Foreign currency translation reserve	(24.4)	0.7	(23.7)
Retained earnings	1,966.4	(28.6)	1,937.8
Equity attributable to shareholders of the Company	2,706.5	(27.9)	2,678.6
Total equity	3,136.3	(27.9)	3,108.4
Total liabilities and equity	4,955.0	(40.6)	4,914.4

43. RESTATEMENT OF COMPARATIVE INFORMATION (CONT'D)

Restated Income statement for full year ended 31 December 2021:

	Group 2021		
	$'mil Reported	$'mil Adjustments	$'mil Restated
Revenue	3,538.3	(35.5)	3,502.8
Depreciation and amortisation	(401.6)	25.3	(376.3)
Profit before Taxation	204.9	(10.2)	194.7
Taxation	(44.9)	3.1	(41.8)
Profit after Taxation	160.0	(7.1)	152.9
Profit Attributable to:			
Shareholders of the Company	130.1	(7.1)	123.0
Earnings per share (in cents) *:			
Basic	6.00	(0.32)	5.68
Diluted	6.00	(0.32)	5.68

Restated Cash Flow statement for full year ended 31 December 2021:

	Group 2021		
	$'mil Reported	$'mil Adjustments	$'mil Restated
Operating activities:			
Profit before taxation	204.9	(10.2)	194.7
Adjustments for:			
Depreciation and amortisation	401.6	(25.3)	376.3
Operating cash flows before movements in working capital	657.2	(35.5)	621.7
Trade and other receivables	0.4	31.1	31.5
Changes in working capital	75.0	31.1	106.1
Cash generated from operations	732.2	(4.4)	727.8
Net cash from operating activities	660.9	(4.4)	656.5
Purchases of vehicles, premises and equipment	(228.2)	4.4	(223.8)
Net cash used in investing activities	(203.8)	4.4	(199.4)

44. GROUP PROPERTIES AS AT 31 DECEMBER 2022

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
SINGAPORE					
ComfortDelGro Corporation Limited	100	Braddell Road	66,441 sq m	36 years 10 months 3 years 8 months unexpired	Head office, bus depot, vehicle workshop
SBS Transit Ltd	74.43	Soon Lee Road	26,670 sq m	30 years 7 years 3 months unexpired	Bus depot
SBS Transit Ltd	74.43	Defu Avenue 1	45,190 sq m	43 years 11 months From 1 January 1983 3 years 11 months unexpired	Bus depot
SBS Transit Ltd	74.43	Bedok North Avenue 4	62,220 sq m	Under Tenancy Occupation Licence 1 year 8 months unexpired	Bus depot
SBS Transit Ltd	74.43	Bukit Batok Street 23	52,189 sq m	43 years from 1 January 1983 3 years unexpired	Bus depot
SBS Transit Ltd	74.43	Ang Mo Kio Street 63	63,955 sq m	30 years 9 months From 1 March 1994 1 years 11 months Unexpired	Bus depot
VICOM Ltd	67.06	Sin Ming Drive	10,853 sq m	30 years from January 2011 18 years unexpired	Inspection, assessment services
VICOM Ltd	67.06	Kaki Bukit Avenue 4	9,797 sq m	30 years from January1997 with option to renew another 30 years 4 years unexpired	Inspection, assessment services
VICOM Ltd	67.06	No. 511 Bukit Batok Street 23	9,625 sq m	30 years from October 1995 with option to renew another 30 years 2 years 9 months Unexpired	Inspection, testing and assessment services
VICOM Ltd	67.06	Changi North Crescent	6,015 sq m	30 years from May 1995 2 years 4 months unexpired	Inspection services

44. GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
SINGAPORE (cont'd)					
VICOM Ltd	67.06	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 20 years 6 months unexpired	Inspection services
VICOM Ltd	67.06	Yishun Industrial Park A	1,105 sq m	30 years from July 2013 20 years 6 months unexpired	Inspection services
Setsco ServicesPte Ltd	67.06	No. 531 Bukit Batok Street 23	7,554.5 sq m	7 years from October 2018 with option renew another 30 years 2 years 9 months Unexpired	Testing, inspection and consultancy services
JIC Inspection Services Pte Ltd	52.31	Pioneer Road	Pioneer Road	30 years 1 years 11 months unexpired	Inspection services
JIC Inspection Services Pte Ltd	52.31	Ang Mo Kio Street 63	2,145 sq m	3 years from March 2017 renewed for another 3 years from March 2020 2 months unexpired	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	19,523 sq m	60 years 12 years 7 months unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	24,499 sq m	30 years 3 months unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 29 years 4 months unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,734 sq m	22 years 2 years 9 months unexpired	Office, workshop, diesel and petrol kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 3 years 9 months unexpired	Workshop spare parts storage
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,532 sq m	51 years 26 years 2 months unexpired	Office, workshop, diesel and petrol kiosk

44. GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
CHINA					
Guangzhou Xin Tian60 Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 4 years 5 months unexpired	Office, bus station
Shanghai City Qi Ai 51 Taxi Services Co., Ltd	100	Lujiabang Road Shanghai	689 sq m	Freehold	Office
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 21 years unexpired	Staff residence
Chengdu ComfortDelGro Taxi Co., Ltd	100	Jin Zhou Road Jin Niu District Chengdu	796.05 sq m	40 years 29 years unexpired	Office
Nanning Comfort Transportation Co. Ltd	80	Ke Yuan Ave Nanning	900 sq m	45 years 33 years 9 months unexpired	Office
Jilin ComfortDelGro Taxi Co., Ltd	97	Cheng Nan Street Jilin City High-tech Zone	18,014 sq m	50 years 40 years unexpired	Office
UNITED KINGDOM					
CityFleet Networks Limited	100	31 Colville road, Acton London W3 8BL	1,912 sq m	Freehold	Office
Computer Cab (Liverpool) Limited	100	Falkland Street Liverpool 13 8HB	610 sq m	99 years 75 years 6 months unexpired	Office, fleet dept
Computer Cab (Aberdeen) Limited	100	Burnside Driver, Dyce Aberdeen AB21 OHW	1,096 sq m	5 years 6 months unexpired	Office
Westbus Coach Services Limited	100	Spring Grove Road Hounslow London TW3 4BE	352 sq m	6 years 1 years 1 month unexpired	Office, fitting bay
Westbus Coach Services Limited	100	Spring Grove Road Hounslow London TW3 4BE	352 sq m	6 years 5 years 9 months Unexpired	Office
Metroline Travel Limited	100	Pemberton Gardens Holloway London N19 5RR	17,968 sq m	Freehold	Bus depot

44. GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
UNITED KINGDOM (cont'd)					
Metroline Travel Limited	100	Edgware Road Cricklewood London NW2 6JP	13,800 sq m	Freehold	Bus depot
Metroline Travel Limited	100	High Street Potters Bar Herts EN6 5BE	11,614 sq m	Freehold	Bus depot
Metroline Travel Limited	100	High Road Willesden London NW10 2JY	9,874 sq m	Freehold	Bus depot
Metroline Travel Limited	100	High Road Harrow Weald London HA3 6EJ	5,706 sq m	Freehold	Bus depot
Metroline Travel Limited	100	Armchair House, Commerce Road, Brentford TW8 8LZ	12,200 sq m	Freehold	Bus depot
Metroline Travel Limited	100	Perivale Bus Garage Alperton Lane, Western Avenue, Greenford, England	5,868 sq m	20 years 14 years 3 months unexpired	Bus depot
Metroline Travel Limited	100	Edgware Bus Garage Station Road Edgware, England	12,141 sq m	15 years 5 years 9 months unexpired	Bus depot
Metroline Travel Limited	100	Thorpes West Perivale Depot, Unit 12 Perivale Industrial Park Horsenden Lane South Greenford, England	6,000 sq m	13 years 1 years 5 months unexpired	Bus depot
Metroline West Limited	100	Willesden Junction Station Road NW10 4XB	2,654 sq m	102 years 1 months Unexpired	Bus depot
Metroline West Limited	100	Hayes Garage 12 Rigby Lane Hayes, Middlesex	9,123 sq m	19 years 3 months Unexpired	Bus depot
New Adventure Travel Limited	100	Coaster Place Cardiff CF10 4XZ	6,070 sq m	Freehold	Bus depot

44. GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
UNITED KINGDOM (cont'd)					
New Adventure Travel Limited	100	Brecon Road, Abercrave Swansea SA9 1TN	3,180 sq m	Freehold	Workshop
New Adventure Travel Limited	100	Moy Road, Taffs Well CF 15 7QR	2,641 sq m	Freehold	Workshop
AUSTRALIA					
ComfortDelGro Corporation Australia Pty Ltd	100	Boundary Road Northmead NSW	31,669 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Hartley Road Seven Hills NSW	2,725 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	New Line Road Dural NSW	19,460 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Pipeclay Crescent Thornton NSW	24,820 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Glenwood Drive Thornton NSW	4,461 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	High Street Toronto NSW	2,442 sq m	Freehold	Office building
ComfortDelGro Corporation Australia Pty Ltd	100	Arnott St & Aluminium Edgeworth NSW	5,817 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Arnott St, Edgeworth NSW	16,600 sq m	Freehold	Bus depot

44. GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
AUSTRALIA (con't)					
ComfortDelGro Corporation Australia Pty Ltd	100	Burleigh Street Toronto NSW	5,372 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Ettalong Road Morisset NSW	14,865 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Magpie Street Singleton NSW	7,806 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Foundry Road Seven Hills NSW	36,810 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Lee Holm Drive St Mary's NSW	27,960 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Old Bathurst Road Emu Heights NSW	5,599 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Megalong Street	3,780 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Great Western Highway Valley Heights NSW	10,102 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus depot

44. GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd	100	Slough Road Altona Victoria	7,995 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	North Road Oakleigh Victoria	8,823 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Prosperity Drive Truganina Victoria	38,224 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbevan NSW	12,410 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbevan NSW	4,047 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbevan NSW	4,047 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd	100	Rosario Place Rouse Hill NSW	41,380 sq m	Freehold	Bus depot

44. GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd	100	Hurley Dr Coffs Harbour NSW	5,363 sq m	Freehold	Bus depot & Office
ComfortDelGro Corporation Australia Pty Ltd	100	Hawke Drive Woolgoolga NSW	4,072 sq m	Freehold	Bus depot & Office
ComfortDelGro Corporation Australia Pty Ltd	100	North Road & Fulton Street Oakleigh Victoria	3,630 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Norman Street Ballarat	49,301 sq m	Freehold	Bus depot
Swan Taxis Pty Ltd	100	Harvey Street Victoria Park WA	2,278 sq m	Freehold	Office, call centre, workshop
Tropic Sun Pty Ltd	100	Lyons St Gladstone QLD	6,510 sq m	Freehold	Bus depot & office
Tropical Sun Pty Ltd	100	Barlett St Noosaville QLD	8,942 sq m	Freehold	Bus depot
Tropical Sun Pty Ltd	100	Page St Kunda Park QLD	15,035 sq m	Freehold	Bus depot & Head Office
Tropical Sun Pty Ltd	100	Link Cres Coolum QLD	2,570 sq m	Freehold	Bus parking
Tropical Sun Pty Ltd	100	Enterprise St Caloundra QLD	4,052 sq m	Freehold	Bus parking
CDC South East Queensland PTY Ltd	100	Pineapple Drice Hidden Valley QLD	4,355 sq m	Freehold	Bus depot

44. GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd	100	Pruen Road Berrimah NT	14,100 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Berrimah Road Berrimah NT	10,117 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Challoner Road Humpty Doo NT	19,800 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	5 Kidman Street Alice Springs NT	2,020 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	7 Kidman Street Alice Springs NT	2,020 sq m	Freehold	Bus depot
CDC Mildura Pty Ltd	100	Tapio Avenue Dareton NSW	1,182 sq m	Freehold	Bus depot
CDC Mildura Pty Ltd	100	Arthur Street Wentworth NSW	4,034 sq m	Freehold	Bus depot
Tropic Sun Pty Ltd	100	Corner Bathurst Street & Sandown Drive, Mildura VIC	12,543 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Kanandah Road Broken Hill VIC	3,699 sq m	Freehold	Bus depot
Forest Coach Lines Pty Limited	100	Newcastle Drive Toomina NSW	15,100 sq m	Freehold	Bus depot including office building & caretakers cottage
Forest Coach Lines Pty Limited	100	Mona Vale Rd Myoora Rd Terret Hills NSW	16,920 sq m	Freehold	Bus depot & office

44. GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
CDC Sunshine Pty Ltd	100	Carrington Drive Albion, Victoria	6,750 sq m	14 years 9 months unexpired	Bus parking
CDC Sunshine Pty Ltd	100	Carrington Drive Albion, Victoria	6,750 sq m	14 years 9 months unexpired	Paint shop & Training room
CDC Tullamarine Pty Ltd	100	Louis Street, Airport West, Victoria	1,326 sq m	10 years 6 months unexpired	Bus depot
CDC Tullamarine Pty Ltd	100	Louis Street, Airport West, Victoria	1,374 sq m	10 years 6 months unexpired	Bus depot
CDC Tullamarine Pty Ltd	100	Moore Road, Airport West, Victoria	5,895 sq m	10 years 6 months unexpired	Bus depot
Forest Coach Lines Pty Limited	100	Ugoa St, Narrabri NSW	1,040 sq m	5 years 8 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Roses St, Wee Waa, NSW	1,682 sq m	5 years 8 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Part 21 Middleton Road Cromer, NSW	8,320 sq m	5.5 years 5 years unexpired	Bus depot
National Patient Transport Pty Ltd	100	Browns Road, Noble Park, Victoria	2,000 sq m	3 years 6 months unexpired	Head office & Ambulance depot
National Patient Transport Pty Ltd	100	Whitehorse Rd, Mitcham, Victoria	1,675 sq m	3 years 6 months unexpired	Ambulance depot & Training room
National Patient Transport Pty Ltd	100	Goodyear Drive, Thomastown, Victoria	630 sq m	3 years 3 months unexpired	Ambulance depot
National Patient Transport Pty Ltd	100	Watson Street, Shepparton, Victoria	750 sq m	3 years 4 months unexpired	Ambulance depot
National Patient Transport Pty Ltd	100	Tallarook St, Seymour, Victoria	500 sq m	3 years 6 months unexpired	Ambulance depot

44. GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
National Patient Transport Pty Ltd	100	Whyalla St, Willetton, Victoria	150 sq m	3 years 5 months unexpired	Branch office & Ambulance depot
B&E Blanch Pty Ltd	100	De-Havilland Cr, Ballina, NSW	4,378 sq m	10 years 7 years 5 months unexpired	Bus depot, workshop & main office
B&E Blanch Pty Ltd	100	Mogo Pl, Billinudgel, NSW	1,679 sq m	10 years 7 years 5 months unexpired	Bus depot, workshop & main office
B&E Blanch Pty Ltd	100	Tasman Wy, Byron Bay, NSW	3,090 sq m	10 years 7 years 5 months unexpired	Bus depot & office
B&E Blanch Pty Ltd	100	Tasman Wy, Byron Bay, NSW	1,000 sq m	10 years 7 years 5 months unexpired	Bus depot
Hunter Valley Buses Pty Ltd	100	Sparks Road Warnervale NSW	9,327 sq m	9 years 2 years 9 months unexpired	Bus depot
Ocity Transit Pty Ltd	100	Yallourne Street	3,030 sq m	4 years 11 months 3 years 4 months unexpired	Bus depot & office
MALAYSIA					
Setsco Services (M) Sdn Bhd	67.06	47100 Puchong Selangor Darul Ehsan	792 sq m	99 years from December 2009 85 years 11 months unexpired	Testing, inspection, consultancy services
CityLimo Leasing (M) Sdn Bhd	100	47500 Subang Jaya Industrial Estate Selangor Darul Ehsan	1,022 sq m	3 years unexpired	Office, workshop