



VICOM LTD

Company Registration No. : 198100320K

Financial Statements and Dividend Announcement for the year ended 31 December 2014

The Board of Directors announces the audited results of the Group for the year ended 31 December 2014.

1 GROUP INCOME STATEMENT

	Group		
	FY 2014	FY 2013	Incr/ (Decr)
	\$'000	\$'000	%
Revenue	108,165	104,965	3.0
Staff costs	47,078	45,256	4.0
Depreciation and amortisation	6,008	5,812	3.4
Repairs and maintenance costs	1,741	1,784	(2.4)
Materials and consumables	3,224	3,207	0.5
Contract services	4,285	4,881	(12.2)
Premises costs	3,622	3,343	8.3
Utilities and communication costs	2,097	2,046	2.5
Other operating costs	4,490	4,616	(2.7)
Total operating expenses	<u>72,545</u>	<u>70,945</u>	2.3
Operating profit	<u>35,620</u>	<u>34,020</u>	4.7
Interest income	669	425	57.4
Profit before taxation	<u>36,289</u>	<u>34,445</u>	5.4
Taxation	<u>(5,691)</u>	<u>(5,526)</u>	3.0
Profit after taxation	<u><u>30,598</u></u>	<u><u>28,919</u></u>	5.8
Attributable to:			
Shareholders of the Company	30,142	28,448	6.0
Non-controlling interests	456	471	(3.2)
	<u><u>30,598</u></u>	<u><u>28,919</u></u>	5.8

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2014 \$'000	31 Dec 2013 \$'000	31 Dec 2014 \$'000	31 Dec 2013 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	91,028	78,535	88,653	76,097
Trade receivables	13,297	13,790	1,964	1,697
Other receivables and prepayments	1,190	1,311	442	365
Inventories	21	20	-	-
Total current assets	105,536	93,656	91,059	78,159
Non-current assets				
Subsidiaries	-	-	25,941	25,941
Associate	25	25	-	-
Other receivables and prepayments	-	323	-	-
Club memberships	283	315	283	315
Vehicles, premises and equipment	52,120	52,757	27,618	29,184
Goodwill	11,325	11,325	-	-
Total non-current assets	63,753	64,745	53,842	55,440
Total assets	169,289	158,401	144,901	133,599
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	21,413	20,985	3,887	3,407
Due to subsidiaries	-	-	38,927	37,994
Income tax payable	6,502	5,888	2,273	1,986
Total current liabilities	27,915	26,873	45,087	43,387
Non-current liability				
Deferred tax liabilities	1,486	1,460	208	191
Total liabilities	29,401	28,333	45,295	43,578
Capital, reserves and non-controlling interests				
Share capital	36,225	35,912	36,225	35,912
Other reserves	3,078	3,100	3,078	3,100
Foreign currency translation reserve	(107)	(93)	-	-
Accumulated profits	99,707	90,170	60,303	51,009
Equity attributable to shareholders of the Company	138,903	129,089	99,606	90,021
Non-controlling interests	985	979	-	-
Total equity	139,888	130,068	99,606	90,021
Total liabilities & equity	169,289	158,401	144,901	133,599

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

NIL

Details of any collateral

NIL

4 GROUP CASH FLOW STATEMENT

	Group	
	FY 2014	FY 2013
	\$'000	\$'000
Operating activities		
Profit before taxation	36,289	34,445
Adjustments for:		
Depreciation and amortisation	6,008	5,812
Interest income	(669)	(425)
Loss on disposal of vehicles, premises and equipment	11	16
Allowance for doubtful trade receivables	216	129
Bad debts written off	3	1
Operating cash flows before movements in working capital	<u>41,858</u>	<u>39,978</u>
Changes in working capital	946	(2,553)
Cash generated from operations	<u>42,804</u>	<u>37,425</u>
Income tax paid	<u>(5,051)</u>	<u>(4,929)</u>
Net cash from operating activities	<u>37,753</u>	<u>32,496</u>
Investing activities		
Purchase of vehicles, premises and equipment	(5,101)	(3,935)
Proceeds from disposal of vehicles, premises and equipment	27	5
Interest received	<u>579</u>	<u>292</u>
Net cash used in investing activities	<u>(4,495)</u>	<u>(3,638)</u>

	Group	
	FY 2014	FY 2013
	\$'000	\$'000
Financing activities		
Proceeds from exercise of share options	291	658
Dividends paid to non-controlling interests	(450)	(444)
Dividends paid	(20,605)	(16,527)
Net cash used in cash financing activities	<u>(20,764)</u>	<u>(16,313)</u>
Net effect of exchange rate changes in consolidating subsidiaries	(1)	(1)
Net increase in cash and cash equivalents	12,493	12,544
Cash and cash equivalents at beginning of year	<u>78,535</u>	<u>65,991</u>
Cash and cash equivalents at end of year	<u><u>91,028</u></u>	<u><u>78,535</u></u>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	FY 2014	FY 2013
	\$'000	\$'000
Profit after taxation	30,598	28,919
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	<u>(14)</u>	<u>(36)</u>
Other comprehensive income for the year	(14)	(36)
Total comprehensive income for the year	<u><u>30,584</u></u>	<u><u>28,883</u></u>
Total comprehensive income attributable to:		
Shareholders of the Company	30,128	28,412
Non-controlling interests	<u>456</u>	<u>471</u>
	<u><u>30,584</u></u>	<u><u>28,883</u></u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2014:

	Group						Total equity
	Attributable to shareholders of the Company						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January 2014	35,912	3,100	(93)	90,170	129,089	979	130,068
Total comprehensive income for the year							
Profit for the year	-	-	-	30,142	30,142	456	30,598
Other comprehensive income for the year	-	-	(14)	-	(14)	-	(14)
Total	-	-	(14)	30,142	30,128	456	30,584
Transactions recognised directly in equity							
Exercise of share options	313	(22)	-	-	291	-	291
Payment of dividends	-	-	-	(20,605)	(20,605)	-	(20,605)
Total	313	(22)	-	(20,605)	(20,314)	-	(20,314)
Payments to non-controlling interests	-	-	-	-	-	(450)	(450)
Balance at 31 December 2014	36,225	3,078	(107)	99,707	138,903	985	139,888

Consolidated Statement of Changes in Equity for the year ended 31 December 2013:

	Group						
	Attributable to shareholders of the Company						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2013	35,200	3,154	(57)	78,249	116,546	952	117,498
Total comprehensive income for the year							
Profit for the year	-	-	-	28,448	28,448	471	28,919
Other comprehensive income for the year	-	-	(36)	-	(36)	-	(36)
Total	-	-	(36)	28,448	28,412	471	28,883
Transactions recognised directly in equity							
Exercise of share options	712	(54)	-	-	658	-	658
Payment of dividends	-	-	-	(16,527)	(16,527)	-	(16,527)
Total	712	(54)	-	(16,527)	(15,869)	-	(15,869)
Payments to non-controlling interests	-	-	-	-	-	(444)	(444)
Balance at 31 December 2013	35,912	3,100	(93)	90,170	129,089	979	130,068

Statement of Changes in Equity of the Company for the year ended 31 December 2014:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2013	35,200	3,154	41,472	79,826
Profit for the year, representing total comprehensive income for the year	-	-	26,064	26,064
Transactions recognised directly in equity				
Exercise of share options	712	(54)	-	658
Payment of dividends	-	-	(16,527)	(16,527)
Total	712	(54)	(16,527)	(15,869)
Balance at 31 December 2013	35,912	3,100	51,009	90,021
Profit for the year, representing total comprehensive income for the year	-	-	29,899	29,899
Transactions recognised directly in equity				
Exercise of share options	313	(22)	-	291
Payment of dividends	-	-	(20,605)	(20,605)
Total	313	(22)	(20,605)	(20,314)
Balance at 31 December 2014	36,225	3,078	60,303	99,606

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the year, the Company issued 123,000 (31 December 2013: 272,000) new ordinary shares following the exercise of share options under the 2001 VICOM Share Option Scheme.

As at 31 December 2014, the total number of issued shares was 88,622,000 (31 December 2013: 88,499,000).

Outstanding Shares – The 2001 VICOM Share Option Scheme

The VICOM Share Option Scheme was not renewed following its expiry on 26 April 2011.

As at 31 December 2014, options to subscribe for 20,000 ordinary shares (31 December 2013: 143,000) remained outstanding under the 2001 VICOM Share Option Scheme.

As at 31 December 2014, the Company does not hold any treasury shares.

8 AUDIT

The financial statements have been audited in accordance with the Singapore Standards on Auditing.

9 AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VICOM LTD

Report on the Financial Statements

We have audited the financial statements of VICOM Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

9 February 2015

10 ACCOUNTING POLICIES

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting year consistent with those of the audited financial statements for the year ended 31 December 2013.

In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2014.

The adoption of these new and revised FRSs has no material effect on the amounts reported for the current or prior years.

11 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

12 GROUP EARNINGS PER ORDINARY SHARE AND GROUP EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)

Earnings per ordinary share

	Group	
	FY 2014	FY 2013
(i) Based on weighted average number of ordinary shares in issue - cents	34.02	32.17
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	34.01	32.15

EBITDA

	Group	
	FY 2014	FY 2013
(i) EBITDA (\$'000)	41,628	39,832
(ii) EBITDA margin (%)	38.5	37.9

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Net asset value per ordinary share based on issued share capital - cents	156.74	145.86	112.39	101.72

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Revenue

The Group's total revenue of \$108.2 million for 2014 was \$3.2 million or 3.0% higher than 2013, contributed by higher business volume.

Operating Expenses

The Group's operating expenses of \$72.5 million for 2014 was \$1.6 million or 2.3% higher than 2013 due mainly to the higher expenses needed to generate the increased revenue.

Operating Profit

Consequently, the Group's operating profit of \$35.6 million for 2014 was \$1.6 million or 4.7% higher than 2013.

The Group's profit before tax of \$36.3 million for 2014 was \$1.8 million or 5.4% higher than 2013.

Taxation for the Group of \$5.7 million for 2014 was \$0.2 million or 3.0% higher than 2013 due to the higher profit offset by tax adjustments of prior years.

The Group's Profit attributable to Shareholders of the Company of \$30.1 million for 2014 was \$1.7 million or 6.0% higher than 2013.

Statement of Financial Position

Total Equity increased by \$9.8 million to \$139.9 million as at 31 December 2014 due mainly to profits generated from operations, partially offset by payment of dividends.

Total Assets increased by \$10.9 million to \$169.3 million as at 31 December 2014 due to the increase in Current Assets by \$11.9 million, partially offset by the decrease in Non-Current Assets by \$1.0 million. The increase in Current Assets was due mainly to the increase in Cash and Bank Balances by \$12.5 million, partially offset by the decrease in Trade Receivables by \$0.5 million and Other Receivables and Prepayments by \$0.1 million.

Total Liabilities increased by \$1.1 million to \$29.4 million as at 31 December 2014 due mainly to the increase in Trade and Other Payable, Income Tax Payable and Deferred Tax Liabilities.

Cash Flow

The net cash inflow in 2014 was \$12.5 million after dividend payments.

15 ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

The demand for the vehicle testing services is expected to moderate as more vehicles are expected to be deregistered in the year. The non-vehicle testing business is expected to grow even though competition remains keen.

17 DIVIDEND

(a) Current Financial Period Reported On

The Directors are pleased to propose a tax-exempt one-tier final dividend of 8.75 cents (2013: 8.10 cents) per ordinary share and a tax-exempt one-tier special dividend of 9.50 cents (2013: 6.40 cents) per ordinary share.

Name of Dividend	Final	Special
Dividend Type	Cash; Tax-exempt one-tier	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	8.75 cents	9.50 cents
Tax Rate	Exempt one-tier	Exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Final	Special
Dividend Type	Cash; Tax-exempt one-tier	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	8.10 cents	6.40 cents
Tax Rate	Exempt one-tier	Exempt one-tier

(c) Date payable

The proposed final and special dividends, if approved by the Shareholders at the Thirty-Fourth Annual General Meeting of the Company to be held on 21 April 2015, will be payable on 7 May 2015.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 30 April 2015 for the purposes of determining Shareholders' entitlements to the proposed final and special dividends.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 29 April 2015 will be registered to determine Shareholders' entitlements to the final and special dividends.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 29 April 2015 will be entitled to the proposed final and special dividends.

18 SEGMENT INFORMATION

The Group operates predominantly in Singapore. All vehicle inspection and non-vehicle testing services are managed and reported together as one segment in order to improve productivity and efficiency as these services have similar economic characteristics and processes. Hence there are no other reportable segments to be presented.

19 BREAKDOWN OF REVENUE

	Group 2014 \$'000	Group 2013 \$'000	Increase/ (decrease) %
Revenue reported for first half year	54,161	52,657	2.9
Profit after taxation before deducting non-controlling interests reported for first half year	15,463	14,537	6.4
Revenue reported for second half year	54,004	52,308	3.2
Profit after taxation before deducting non-controlling interests reported for second half year	15,135	14,382	5.2

20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

	FY 2014 \$'000	FY 2013 \$'000
Ordinary shares (tax-exempt one-tier)		
- Interim	7,755	7,079
- Final (proposed)	7,755	7,178
- Special (proposed)	8,419	5,672
Total:	23,929	19,929

21 INTERESTED PERSON TRANSACTIONS

There is no Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

22 DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that as at 31 December 2014, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy
Company Secretary

9 February 2015