

Notes to the Financial Statements

Year ended December 31, 2020

B. Our Performance (cont'd)

B4. Profit for the year

Accounting policies

Government grants related to asset are credited to a deferred asset grant account at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions attaching to it. These grants are then recognised in profit or loss as "Other Income" on the straight-line basis over the estimated useful lives of the relevant assets.

Non-monetary government grants and assets received are valued at fair value or nominal amounts.

Grants that compensate the Group for expenses already incurred are recognised in profit or loss as "Other Income" on a systematic basis in the same periods in which the expenses are recognised.

Detailed below are the key amounts recognised in arriving at our profit from continuing operations for the year:

(\$ million)	Note	Group	
		2020	2019*
a. Expenses			
Allowance for / (write-back of) impairment losses (net):			
– property, plant and equipment	D1	64	80
– intangible assets	D3	6	64
– receivables and contract assets		11	7
Inventories written off		53	–
Write-down inventory to net realisable value		45	–
Amortisation of intangible assets	D3	27	27
Audit fees paid / payable:			
– auditors of the Company		2	1
– other member firms of KPMG International		1	1
– other auditors		*	1
Non-audit fees paid / payable:			
– auditors of the Company		1	1
– other member firms of KPMG International		*	*
– other auditors		*	*
Depreciation:			
– property, plant and equipment	D1	413	409
– investment properties	D2	4	1
Property, plant and equipment written off		6	10
Intangible assets written off	D3	*	*
Bad debts written off		*	*
Provision for fines and other related provision		–	7
Net change in fair value of cash flow hedges		71	(10)
Staff costs			
Staff costs		407	414
Included in staff costs are:			
Equity-settled share-based payments		8	7
Cash-settled share-based payments		*	*
Contributions to:			
– defined benefit plan		1	1
– defined contribution plan		27	29

B. Our Performance (cont'd)

B4. Profit for the year (cont'd)

(\$ million)	Note	Group	
		2020	2019*
b. Other operating income and (expenses)			
Grants received (income related)		38	3
Gain on disposal of property, plant and equipment		5	18
Gain on disposal of assets held for sale		–	70
Net exchange gain / (loss)		15	(8)
Net change in fair value of cash flow hedges		*	–
Net change in fair value of financial assets at FVTPL (designated on initial recognition)		2	(2)
Net change in fair value of financial assets at FVTPL (mandatorily measured)		(27)	(9)
Gain from derecognition of financial assets		3	4

Grant income of S\$38 million in 2020 included S\$34 million (2019: S\$nil) COVID-19 related relief mainly in the form of Jobs Support Scheme (the JSS). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

(\$ million)	Note	Group	
		2020	2019*
c. Non-operating income and (expenses)			
Gross dividend income from financial assets at FVOCI		2	*
Gain / (Loss) on disposal of:			
– subsidiaries		23	16
– assets held for sale		(30)	–
Allowance for impairment losses:			
– goodwill	D3	(27)	(65)
– associate / joint venture		(113)	(1)
– assets reclassified to held for sale	B6	(4)	(64)
Negative goodwill	G2	17	1