

APEX HEALTHCARE BERHAD (473108-T)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2014

	Note	3 MONTHS ENDED		PERIOD ENDED	
		30/06/2014	30/06/2013	30/06/2014	30/06/2013
		RM'000	RM'000	RM'000	RM'000
Revenue		122,493	104,202	253,420	210,561
Cost of sales		(94,851)	(78,185)	(193,901)	(156,218)
Gross profit		27,642	26,017	59,519	54,343
Other income		713	150	1,685	1,179
Selling & marketing expenses		(13,132)	(11,945)	(28,276)	(24,351)
Administrative expenses		(5,095)	(4,363)	(10,133)	(8,788)
Other expenses		(174)	(299)	(363)	(500)
Finance cost		-	(7)	(3)	(17)
Share of results of joint venture		96	(280)	243	(396)
Profit before tax	A7	10,050	9,273	22,672	21,470
Income tax expense	B6	(2,496)	(2,440)	(5,650)	(5,503)
Net profit for the period		7,554	6,833	17,022	15,967
Other comprehensive income:					
Exchange differences on translation of foreign operations, net of tax		-	-	-	-
Total comprehensive income for the period		7,554	6,833	17,022	15,967
Net profit attributable to:					
Owners of the parent		7,522	6,813	16,960	15,926
Non-controlling interest		32	20	62	41
Net profit for the period		7,554	6,833	17,022	15,967
Total comprehensive income attributable to:					
Owners of the parent		7,522	6,813	16,960	15,926
Non-controlling interest		32	20	62	41
Total comprehensive income for the period		7,554	6,833	17,022	15,967
Earnings per share attributable to owners of the parent:		Sen	Sen	Sen	Sen
- Basic	B11	6.42	5.82	14.48	13.59
- Diluted	B11	6.42	5.82	14.48	13.59

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

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(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	As at 30/06/2014 RM'000	As at 31/12/2013 RM'000 <u>(Audited)</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	A12	104,261	106,921
Investment properties		3,294	3,329
Intangible assets		1,230	1,190
Investment in a joint venture		4,454	4,211
Deferred tax assets		494	376
Receivables		5,000	5,000
Long term investment		5,520	5,520
		<u>124,253</u>	<u>126,547</u>
Current Assets			
Inventories		54,354	47,742
Receivables		112,832	101,324
Prepayments		1,215	120
Tax recoverable		319	482
Available-for-sale financial asset		-	3,928
Derivative financial instruments	A15 & B12	18	25
Deposits, bank and cash balances		47,950	32,804
		<u>216,688</u>	<u>186,425</u>
TOTAL ASSETS		<u>340,941</u>	<u>312,972</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Borrowings	B8	11	-
Derivative financial instruments	A15 & B12	29	1
Payables		85,520	70,374
Current tax payable		3,337	1,771
		<u>88,897</u>	<u>72,146</u>
Non-Current Liabilities			
Borrowings	B8	38	-
Deferred tax liabilities		5,533	5,752
		<u>5,571</u>	<u>5,752</u>
TOTAL LIABILITIES		<u>94,468</u>	<u>77,898</u>
NET ASSETS		<u>246,473</u>	<u>235,074</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		117,146	93,717
Reserves		3,218	3,218
Retained earnings	B14	125,804	137,896
		<u>246,168</u>	<u>234,831</u>
Non-controlling interest		305	243
TOTAL EQUITY		<u>246,473</u>	<u>235,074</u>
		RM	RM
Net Assets per share attributable to owners of the parent		<u>2.10</u>	<u>2.51</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE CUMULATIVE PERIOD ENDED 30 JUNE 2014

	← <u>Non-Distributable</u> →	<u>Distributable</u>	Equity attributable		Non-	Total
	Share Capital	Foreign currency translation reserve	Retained Earnings	to owners of the parent, total	controlling Interest	Equity
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PERIOD ENDED 30 JUNE 2014						
Balance at 1 January 2014	93,717	3,218	137,896	234,831	243	235,074
Total comprehensive income	-	-	16,960	16,960	62	17,022
Transaction with owners						
Issue of ordinary shares pursuant to bonus issue	23,429		(23,429)	-		-
Dividends on ordinary shares	-	-	(5,623)	(5,623)	-	(5,623)
Total transaction with owners	23,429	-	(29,052)	(5,623)	-	(5,623)
Balance as at 30 JUNE 2014	117,146	3,218	125,804	246,168	305	246,473
PERIOD ENDED 30 JUNE 2013						
Balance at 1 January 2013	93,717	1,364	121,229	216,310	142	216,452
Total comprehensive income	-	-	15,926	15,926	41	15,967
Transaction with owners						
Dividends on ordinary shares	-	-	(9,606)	(9,606)	-	(9,606)
Balance as at 30 JUNE 2013	93,717	1,364	127,549	222,630	183	222,813

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

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INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE CUMULATIVE PERIOD ENDED 30 JUNE 2014

	PERIOD ENDED	
	30/06/2014	30/06/2013
	RM'000	RM'000
Operating activities		
Profit before tax	22,672	21,470
Adjustments for:		
Depreciation and amortisation	4,507	3,751
Net profit on disposal of property, plant and equipment	(82)	(2)
Share of results of joint venture	(243)	396
Dividends received from investment securities	-	(62)
Net profit from disposal of investment securities	-	(23)
Net profit on disposal of available-for-sale financial asset	(297)	-
Fair value changes of derivative financial instruments	35	16
Inventories written off and written down	76	68
Impairment loss on trade receivables	54	59
Interest expense	3	17
Interest income	(388)	(134)
Operating cash flows before changes in working capital	26,337	25,556
Inventories	(6,688)	(7,803)
Receivables	(12,659)	(11,294)
Payables	15,146	8,488
Cash generated from operations	22,136	14,947
Tax paid	(4,257)	(4,295)
Net cash flows generated from operating activities	17,879	10,652
Investing activities		
Proceeds from the disposal of available-for-sale financial asset	4,225	-
Investment in joint venture	-	(4,988)
Repayment of shareholders loans	-	(48)
Purchase of property, plant and equipment & intangible assets	(1,786)	(3,513)
Proceeds from disposal of property, plant and equipment	83	2
Purchase of intangible asset	(66)	-
Proceeds from disposal of investment securities	-	30,517
Dividends received from investment securities	-	62
Interest received	388	134
Net cash flows generated from investing activities	2,844	22,166
Financing activities		
Finance lease raised	49	-
Dividends paid	(5,623)	(9,606)
Other financing activities paid	(3)	(17)
Net cash flows used in financing activities	(5,577)	(9,623)
Net increase in cash and cash equivalents	15,146	23,195
Cash and cash equivalents at 1 January	32,804	34,675
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial period	47,950	57,870

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014
(THE FIGURES HAVE NOT BEEN AUDITED)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 2014

A1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the period ended 30 JUNE 2014 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. It should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 December 2013.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for the certain financial assets and liabilities classified as financial assets and liabilities at fair value through profit or loss and financial assets designated as available for sale.

A2 Significant accounting policies

The significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2013 except for the adoption of the following Malaysian Financial Reporting Standards ("MFRS") and Issues Committee ("IC") Interpretations wherever applicable to the Group and Company:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 9 Financial Instruments: Classification and Measurement

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

A3 Seasonality or cyclicity of interim operations

The Group's interim operations are not affected materially by any seasonal or cyclical factors.

A4 Unusual items

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the period ended 30 June 2014.

A5 Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial year.

There were no changes in estimates of amounts reported in the prior interim periods of the current financial year or prior financial year.

A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

As reported in the previous quarter, the Company increased its issued and paid up share capital from RM 93,716,875 to RM 117,146,093 by way of issuance of 23,429,218 new ordinary shares of RM 1.00 each credited as fully paid on the basis of one (1) bonus share for every four (4) existing ordinary shares of RM 1.00 each in the Company ("bonus issue") on 25th June 2014.

Other than the above, there were no issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the period ended 30 June 2014.

A NOTES PURSUANT TO MFRS 134 FOR THE YEAR ENDED 30 JUNE 2014 (continued)

A7 Profit before tax
Included in profit before tax are the following items:

	3 MONTHS ENDED		PERIOD ENDED	
	30/06/2014 RM'000	30/06/2013 RM'000	30/06/2014 RM'000	30/06/2013 RM'000
Interest income	297	68	388	134
Other income including investment income	388	316	712	795
Interest expense	-	(7)	(3)	(17)
Depreciation and amortisation	(2,261)	(1,887)	(4,507)	(3,751)
Reversal of impairment loss/(impairment loss) on trade receivables	3	(74)	(54)	(59)
Inventories written off and written down	(11)	(21)	(76)	(68)
Net profit on disposal of property, plant and equipment	5	2	82	2
(Loss)/gain on disposal of investment securities	-	(334)	-	85
Fair value (loss)/gain of derivative financial instruments	(24)	6	(35)	(16)
Net foreign exchange (losses)/gains	(9)	71	130	97
Exceptional items	-	-	-	-

A8 Dividends paid and declared

The amount of dividends paid/payable during the current and previous interim periods are as follows:

	30/06/2014 RM'000	30/06/2013 RM'000
<u>In respect of the financial year ended 31 December</u>		
2013: Final dividend comprising 6.0 sen single tier per share paid on 05-June-14	5,623	-
2012: Final dividend comprising taxable 3.0 sen gross per share and a tax-exempt of 3.0 sen per share as well as a Special tax-exempt dividend of 5.0 sen per share paid on 31-May-13	-	9,606
	<u>5,623</u>	<u>9,606</u>

A9 Segment Information

The Group is organised into three main business units based on their activities, and has three reportable operating segments as follows:

- (i) Manufacturing and marketing of pharmaceutical products;
- (ii) Wholesale and distribution of pharmaceutical and healthcare products; and
- (iii) Corporate comprising investments in retail pharmacy business and properties and the provision of management services.

OPERATING SEGMENTS	Manufacturing and Marketing	Wholesale and Distribution	Corporate	Adjustments and eliminations	GROUP
	RM'000	RM'000	RM'000	RM'000	RM'000
PERIOD ENDED 30/06/2014					
External Revenue	16,020	233,583	3,817	-	253,420
Inter-segment revenue	36,996	-	13,823	(50,819)	-
Total Revenue	53,016	233,583	17,640	(50,819)	253,420
Segment Results (external)	15,794	9,770	(1,870)	(1,019)	22,675
Finance costs					(3)
Profit before tax					22,672
PERIOD ENDED 30/06/2013					
External Revenue	10,639	196,450	3,472	-	210,561
Inter-segment revenue	35,303	339	7,890	(43,532)	-
Total Revenue	45,942	196,789	11,362	(43,532)	210,561
Segment Results (external)	15,421	9,005	(2,071)	(868)	21,487
Finance costs					(17)
Profit before tax					21,470
Segment assets					
30-Jun-2014	88,174	225,290	32,660	(5,183)	340,941
31-Dec-2013	81,719	207,715	28,675	(5,137)	312,972
Segment liabilities					
30-Jun-2014	(9,852)	(66,837)	(8,908)	(8,871)	(94,468)
31-Dec-2013	(8,166)	(58,820)	(3,389)	(7,523)	(77,898)

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 2014 (continued)

A10 Significant Events After the Reporting Date

There were no significant events that had arisen subsequent to the end of this current period.

A11 Changes in Group Composition

There were no significant events that had arisen subsequent to the end of this current period.

A12 Property, plant and equipment

During the current quarter ended 30 June 2014, the Group acquired assets at a cost of RM 803,000 (30 June 2013: RM 2,264,000). Assets with carrying amount of RM 171 were disposed of by the Group during the current quarter ended 30 June 2014 (30 June 2013: RM nil), resulting in a net gain on disposal of RM 5,000 (30 June 2013: RM 2,000), recognised and included in other income in the statement of comprehensive income.

A13 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 30 June 2014 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	20
Authorised capital expenditure approved but not contracted for	5,930
	<u>5,950</u>

A14 Related Party Transactions

The Group does not have any significant transactions with related parties during the period ended 30 June 2014 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2013.

A15 Fair value hierarchy

The Group uses the following level of fair value hierarchy for determining the fair value of its financial instruments carried at fair value.

Financial (liabilities)/assets:	30/06/2014	31/12/2013
	RM'000	RM'000
	<u>(Level 2)</u>	
Derivatives - Forward currency contracts	<u>(11)</u>	<u>24</u>

The Group classifies fair value measurement 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:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

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

There have been no transfers between the fair value hierarchy during the current interim period and financial year ended 2013.

A16 Changes in Contingent liabilities or Contingent assets.

There were no contingent liabilities or contingent assets of the Group since the end of the last annual reporting date.

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A

B1 Detailed Performance Analysis of Operating Segments of the Group

The Group achieved revenue of RM 122.5 million and profit before tax of RM 10 million for the second quarter, growing 18% and 8% respectively when compared to the same period in the previous year. For the first half year, profit before tax reached RM 22.7 million on the back of record revenue of RM 253 million, representing growth of 6% and 20% over the first half of 2013.

Manufacturing and Marketing performed well, with continued strong sales to both private and government sectors in Malaysia and Singapore. Revenue grew 15% for the first six months of 2014 when compared to the same period last year, the result of increased emphasis on sales and marketing.

For the first half year, Wholesale and Distribution revenue grew by a strong 19% over the first half of 2013. This is due to impact of new agency lines at the Group's wholly owned subsidiary, Apex Pharma Marketing Pte Ltd, which achieved revenue growth of 58% over the same period in 2013 to reach RM 72 million for the first half of 2014.

Retail pharmacies enjoyed steady growth, whilst ABio Orthopaedics Sdn Bhd contributed positively for the first half year. There were no material fluctuations in rental income during this period.

B2 Material changes in the profit before tax for the quarter

Profit before tax for the current quarter is RM 10 million, a decrease of 20.4% over the RM 12.6 million reported for the first quarter of 2014. This is attributed to lower revenue in the second quarter compared to that achieved in the first and a higher proportion of revenue generated from lower margin distribution agencies in the sale mix during the quarter under review.

B3 Commentary

a Prospects

The Group's core businesses performed well in the second quarter, driven by the Group's commitment and focus on product development, brand management, customer service and operational efficiency. There are no material changes to the outlook previously furnished with the Group's first quarter report for the current year. The overall economic outlook remains firm, and the Board is confident that barring unforeseen circumstances, the Group's performance to date and its well-placed fundamentals will enable it to return another satisfactory performance in 2014.

b Progress to achieve forecast revenue or profit estimate

Not applicable.

B4 Statement by the Board of Directors' opinion on the achievability of forecast revenue or profit estimate

Not applicable.

B5 Profit Forecast /Profit Guarantee

Not applicable.

B6 Income Tax Expense

	3 MONTHS ENDED		PERIOD ENDED	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
income tax	2,504	2,439	5,987	5,525
deferred tax	(8)	1	(337)	(22)
	2,496	2,440	5,650	5,503
In respect of prior period:				
income tax	-	-	-	-
	2,496	2,440	5,650	5,503

The effective tax rate for the current quarter and cumulative period was comparable with the statutory tax rate.

B7 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 13 August 2014.

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)

B8 Group Borrowings and Debt Securities

	30/06/2014	31/12/2013
	RM'000	RM'000
Current		
Secured obligations under finance lease	11	-
Non-current		
Secured obligations under finance lease	38	-
Total	49	-
Obligations under finance lease denominated in foreign currency as at 30 June 2014:	SGD'000	RM'000
Singapore Dollars	19	-

The Group does not have any current or non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 30 June 2014.

B9 Material Litigation

There is no pending material litigation at the date of this report.

B10 Dividend Payable

a The Board of Directors is pleased to declare the payment of an interim single-tier dividend of 3.50 sen per share in respect of the financial year ending 31 December 2014, resulting in a total dividend to-date for the current financial year of 3.50 sen per share on the enlarged share capital of RM 117 million. (Year 2013: Interim single-tier dividend of 4.00 sen per share).

b The interim dividend will be paid on 30 September 2014 and the entitlement date is 17 September 2014.

B11 Earnings per share

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

		3 MONTHS ENDED		PERIOD ENDED	
		30/06/2014	30/06/2013	30/06/2014	30/06/2013
<u>Basic Earnings per share</u>					
Profit after tax	RM'000	7,522	6,813	16,960	15,926
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Basic earnings per share	sen	6.42	5.82	14.48	13.59
<u>Diluted Earnings per share</u>					
Profit after tax	RM'000	7,522	6,813	16,960	15,926
Weighted average number of ordinary shares in issue	'000	117,146	117,146	117,146	117,146
Diluted earnings per share	sen	6.42	5.82	14.48	13.59

The basic and diluted earnings per share for the previous year have been restated as result of the adjustment to the weighted average number of ordinary shares in issue which has taken into account the one-for-four bonus issue as if the event had occurred at the beginning of the previous year.

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B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)

B12 Derivative Financial Instruments

a The Group's derivative financial instruments as at 30 June 2014 are as follows -

Type of Derivatives Forward Currency Contracts	Contract / Notional Amount RM'000	Changes in Fair Value	
		Assets RM'000	Liabilities RM'000
<u>Less than 1 year</u>			
Sale of goods	3,128	-	(29)
Purchase of goods	(1,450)	18	-
	<u>1,678</u>	<u>18</u>	<u>(29)</u>

b The Group does not anticipate any market or credit risks arising from these derivatives.

c The net cash requirements relating to these contracts was RM 1,678,000.

d There have been no changes since the end of the previous financial year in respect of the following:

- (i) the types of derivative contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- (ii) the risk management policies in place for mitigating and controlling the risks jointly-controlled entity with these derivative contracts; and
- (iii) the related accounting policies.

B13 Fair Value Changes of Financial Liabilities

As at 30 June 2014, the Group does not have any significant financial liabilities measured at fair value through profit or loss other than the disclosure in note A15.

B14 Realised and Unrealised Profits/Losses Disclosure

	30/06/2014 RM'000	Year ended 31/12/2013 RM'000
Total retained earnings of the Group:		
Realised	147,793	159,851
Unrealised	(2,680)	(3,204)
	<u>145,113</u>	<u>156,647</u>
Total share of results of joint venture		
Realised	(534)	(777)
	<u>144,579</u>	<u>155,870</u>
Less: Consolidation adjustments	(18,775)	(17,974)
Total Group's retained earnings as per consolidated accounts	<u>125,804</u>	<u>137,896</u>

B15 Auditors' report on preceding annual financial statements

The Auditors' report on the Group's financial statements for the year ended 31 December 2013 was not qualified.

Authorisation for issue

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 20 August 2014.