

Foreword

2005 will prove to be a very challenging year for many preparers of financial statements. In tandem with the changes to International Financial Reporting Standards (IFRS), Singapore Financial Reporting Standards (SFRS) have undergone significant changes with more than 20 new or revised SFRS effective from 1 January 2005.

These changes are far from superficial. More prescriptive rules are written, subjective assumptions and estimations are applied in many areas. The use of fair value has become more prevalent such as in the accounting for financial instruments, share-based compensation and acquisition of businesses. Extensive disclosures are also added for greater transparency and accountability.

Companies will need to devote much resources to understand these changes, manage the process and implement the changes required by these new SFRSs. We have produced this 2005 Illustrative Annual Report specifically with the aim of helping our clients understand and meet the changing corporate reporting and disclosure requirements.

This publication was first released in November 2003, updated in November 2004 and the 2005 edition contains the up-to-date best practice corporate disclosures in compliance with the Singapore Companies Act, Singapore FRS and their interpretations, and the Singapore Exchange Securities Trading Listing Manual for companies with financial year ending 31 December 2005. While this publication will provide a useful reference point for preparation of this year's annual report and/or statutory financial statements, we also encourage you to consult your PricewaterhouseCoopers audit partner and manager if you have any questions or comments regarding the corporate disclosure requirements applicable for this financial year.



Gautam Banerjee
Executive Chairman



Yeoh Oon Jin
Assurance Leader

November 2005

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Abbreviations used

References are made in this publication to the legislation, accounting pronouncement, guideline or listing rule that requires a particular disclosure or accounting treatment. The abbreviations used to identify the source of authority are as follow:

CA	Singapore Companies Act
CCG	Code of Corporate Governance Guidance Notes
FRS	Singapore Financial Reporting Standards, issued by the Council on Corporate Disclosure and Governance (CCDG)
IAS	International Accounting Standards, which forms part of the International Financial Reporting Standards
IFRS	International Financial Reporting Standards, issued by the International Accounting Standards Board (IASB)
INT FRS	Interpretations of Singapore Financial Reporting Standards
SGX	Singapore Exchange Securities Trading Listing Manual Requirements
SSA	Singapore Standards on Auditing

Publication Guide

Scope

This publication, Illustrative Annual Report 2005, provides a sample annual report of a fictitious group of companies. PwC Holdings Ltd is a company incorporated in Singapore and its shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The names of people and entities included in this publication are fictitious. Any resemblance to a person or entity is purely coincidental.

Effective date

These financial statements include the disclosures required by the Singapore Companies Act, SGX-ST's Listing Manual Requirements and Singapore Financial Reporting Standards and Interpretations that are applicable at the date of this publication.

Illustrative in nature

The sample disclosures in this illustrative annual report should not be considered to be the only acceptable form of presentation. The form and content of each reporting entity's annual report are the responsibility of the entity's directors and other forms of presentation which are equally acceptable may be preferred and adopted, provided they include the specific disclosures prescribed in the Singapore Companies Act, SGX-ST's Listing Manual Requirements and Singapore Financial Reporting Standards.

The illustrative financial statements contained in this annual report is not a substitute for reading the legislation or standards themselves, or for professional judgement as to fairness of presentation. They do not cover all possible disclosures required by the Singapore Companies Act, SGX-ST's Listing Manual Requirements and Singapore Financial Reporting Standards. Depending on the circumstances, further specific information may be required in order to ensure fair presentation and compliance with laws, accounting standards and stock exchange regulations in Singapore.

Similarly, the corporate governance disclosures illustrated in this annual report are not meant to be templates for all reporting entities. The board of directors for each reporting entity should formulate the corporate strategies and control measures tailored to the entity's particular circumstances and corporate governance processes. It therefore follows that corporate governance disclosures in annual report would necessarily differ from one reporting entity to the other.

Guidance Notes

Direct references to the source of disclosure requirements are included in the reference column on each page of the illustrative financial statements. Guidance notes are provided where additional matters may need to be considered in relation to a particular disclosure. These notes are inserted within the relevant section or note.

Seek professional advice

The information contained herein is intended to be a general guide and should not be used or relied upon as a substitute for specific professional advice.

While every effort has been made to ensure accuracy, no liability is accepted by PricewaterhouseCoopers or any employee of the firm on any grounds whatsoever to any party in respect of any errors or omissions, or any action or omission to act a result of the information contained in this publication.