

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Report and consolidated financial statements
31 December 2014

Independent Auditor's Report

To the Shareholders of SE-EDUCATION PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I 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 and fair presentation of the financial statements 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.



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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries and of SE-EDUCATION PUBLIC COMPANY LIMITED as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 26 February 2015

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	102,630,235	160,199,112	98,479,817	126,640,899
Current investments	8	326,173,127	22,000,450	265,471,827	22,000,450
Trade and other receivables	6, 9	85,400,478	102,148,706	81,657,646	99,030,510
Inventories	10	377,172,188	373,685,380	376,208,413	370,384,635
Other current assets	11	34,919,104	40,087,656	34,590,192	41,022,388
Total current assets		926,295,132	698,121,304	856,407,895	659,078,882
Non-current assets					
Restricted bank deposits and other investments	12	13,310,360	14,581,919	13,310,360	14,581,919
Investments in subsidiaries	13	-	-	70,317,416	70,482,022
Investments in associate	14	25,936,608	25,684,265	100,000	100,000
Property, plant and equipment	15	1,606,147,555	1,612,838,569	1,384,493,568	1,379,322,395
Leasehold right on land	6, 16	6,366,565	6,701,406	-	-
Leasehold right on buildings	17	74,595,808	87,408,881	74,595,808	87,408,881
Intangible assets	18	9,141,274	7,979,917	9,537,172	7,843,436
Prepaid book copyright and translation fee		18,295,104	23,152,620	18,295,104	23,152,620
Rental guarantee and deposit		101,308,189	108,176,483	101,308,189	108,176,483
Deferred tax assets	28	18,311,937	14,488,207	19,612,239	14,488,207
Other non-current assets	19	2,066,627	330,386	2,021,548	285,338
Total non-current assets		1,875,480,027	1,901,342,653	1,693,591,404	1,705,841,301
Total assets		2,801,775,159	2,599,463,957	2,549,999,299	2,364,920,183

The accompanying notes are an integral part of the financial statements.



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	-	100,000,000	-	100,000,000
Trade and other payables	6, 22	1,089,274,732	1,264,428,175	1,080,363,354	1,258,625,340
Current portion of long-term loans	24	81,430,000	20,700,000	71,520,000	-
Income received in advance recognisable within one year	21	42,626,374	39,728,427	-	-
Income tax payable		10,333,208	7,097,018	10,333,208	7,097,018
Current portion of provision for long-term employee benefits	31	4,354,000	9,202,493	4,354,000	9,202,493
Other current liabilities	23	36,111,160	57,598,530	35,053,226	56,459,906
Total current liabilities		1,264,129,474	1,498,754,643	1,201,623,788	1,431,384,757
Non-current liabilities					
Income received in advance	21	4,155,436	9,078,569	-	-
Long-term loans, net of current portion	24	499,810,000	75,780,000	404,640,000	-
Provision for long-term employee benefits	31	39,252,945	36,709,974	36,188,219	34,525,344
Other non-current liabilities		8,525,001	8,640,850	8,525,001	8,625,001
Total non-current liabilities		551,743,382	130,209,393	449,353,220	43,150,345
Total liabilities		1,815,872,856	1,628,964,036	1,650,977,008	1,474,535,102

The accompanying notes are an integral part of the financial statements.



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Shareholders' equity					
Share capital					
Registered					
391,944,529 ordinary shares of Baht 1 each		391,944,529	391,944,529	391,944,529	391,944,529
Issued and paid-up					
391,944,418 ordinary shares of Baht 1 each		391,944,418	391,944,418	391,944,418	391,944,418
Share premium		149,420,558	149,420,558	149,420,558	149,420,558
Retained earnings					
Appropriated - statutory reserve	26	39,194,453	39,194,453	39,194,453	39,194,453
Unappropriated		210,280,594	198,970,962	194,034,051	185,907,446
Other components of shareholders' equity		129,485,165	130,330,886	124,428,811	123,918,206
Equity attributable to owners of the Company		920,325,188	909,861,277	899,022,291	890,385,081
Non-controlling interests of the subsidiaries		65,577,115	60,638,644	-	-
Total shareholders' equity		985,902,303	970,499,921	899,022,291	890,385,081
Total liabilities and shareholders' equity		2,801,775,159	2,599,463,957	2,549,999,299	2,364,920,183

The accompanying notes are an integral part of the financial statements.

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Director



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of income

For the year ended 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Revenues					
Revenues from sales		4,768,676,232	5,181,366,287	4,765,634,134	5,180,470,594
Income from tuition fees	21	143,976,526	127,040,373	-	-
Interest and dividend income		1,220,663	4,201,116	3,140,040	6,649,843
Other income		51,063,215	44,764,279	40,963,312	38,623,791
Total revenues		4,964,936,636	5,357,372,055	4,809,737,486	5,225,744,228
Expenses					
Cost of sales		3,125,175,295	3,479,396,106	3,121,325,131	3,479,727,627
Cost of tuition fees		111,324,877	101,048,669	-	-
Selling expenses		1,028,406,072	1,078,402,122	1,028,406,072	1,078,402,123
Administrative expenses		576,067,027	606,754,387	548,072,939	578,138,171
Total expenses		4,840,973,271	5,265,601,284	4,697,804,142	5,136,267,921
Profit before share of profit from investments					
in associate, finance cost and income tax					
expenses		123,963,365	91,770,771	111,933,344	89,476,307
Share of profit from investments in associate	14	2,252,343	1,713,617	-	-
Profit before finance cost and income tax					
expenses		126,215,708	93,484,388	111,933,344	89,476,307
Finance cost		(19,002,654)	(6,399,915)	(12,335,218)	(521,275)
Profit before income tax expenses		107,213,054	87,084,473	99,598,126	88,955,032
Income tax expenses	28	(21,193,920)	(15,566,825)	(21,188,022)	(15,566,825)
Profit for the year		86,019,134	71,517,648	78,410,104	73,388,207
Profit attributable to					
Equity holders of the Company		81,271,716	72,290,005	78,410,104	73,388,207
Non-controlling interests of the subsidiaries		4,747,418	(772,357)		
		86,019,134	71,517,648		
Earnings per share					
Basic earnings per share	29				
Profit attributable to equity holders of the Company		0.21	0.18	0.20	0.19

The accompanying notes are an integral part of the financial statements.



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit for the year		86,019,134	71,517,648	78,410,104	73,388,207
Other comprehensive income:					
Gain on changes in value of					
available-for-sale investments	8	1,439,370	1,995,659	971,376	1,995,659
Less: Income tax effect	28	(1,506,127)	(398,039)	(194,275)	(398,039)
Other comprehensive income for the year		(66,757)	1,597,620	777,101	1,597,620
Total comprehensive income for the year		85,952,377	73,115,268	79,187,205	74,985,827
Total comprehensive income attributable to					
Equity holders of the Company		81,013,906	73,887,625	79,187,205	74,985,827
Non-controlling interests of subsidiaries		4,938,471	(772,357)		
Total comprehensive income for the year		85,952,377	73,115,268		

The accompanying notes are an integral part of the financial statements.



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SE EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to the parent's shareholders					Other components of equity				
	Issued and paid-up share capital	Share premium	Retained earnings		Surplus (deficit) on changes in value of investments available-for-sale	Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated	Unappropriated						
Balance as at 1 January 2013	356,313,209	149,420,558	35,631,321	204,882,021	(1,597,260)	130,917,438	129,320,178	875,567,287	61,311,001	936,878,288
Profit for the year	-	-	-	72,290,005	-	-	-	72,290,005	(772,357)	71,517,648
Other comprehensive income for the year	-	-	-	-	1,597,620	-	1,597,620	1,597,620	-	1,597,620
Total comprehensive income for the year	-	-	-	72,290,005	-	-	1,597,620	73,887,625	(772,357)	73,115,268
Increase in share capital from issuance of stock dividend (Note 32)	35,631,209	-	-	(35,631,209)	-	-	-	-	-	-
Dividend paid (Note 32)	-	-	-	(39,593,635)	-	-	-	(39,593,635)	-	(39,593,635)
Transferred retained earning to legal reserve (Note 26)	-	-	3,563,132	(3,563,132)	-	-	-	-	-	-
Resulting from change in shareholding ratio of equity attributable to non-controlling interests of the subsidiaries due to the decrease in the subsidiary's share capital	-	-	-	-	-	-	-	-	100,000	100,000
Transferred surplus on revaluation of assets to retained earning (Note 25)	-	-	-	586,912	-	(586,912)	(586,912)	-	-	-
Balance as at 31 December 2013	391,944,418	149,420,558	39,194,453	198,970,962	360	130,330,526	130,330,886	909,861,277	60,638,644	970,499,921
Balance as at 1 January 2014	391,944,418	149,420,558	39,194,453	198,970,962	360	130,330,526	130,330,886	909,861,277	60,638,644	970,499,921
Profit for the year	-	-	-	81,271,716	-	-	-	81,271,716	4,747,418	86,019,134
Other comprehensive income for the year	-	-	-	-	960,443	(1,218,253)	(257,810)	(257,810)	191,053	(66,757)
Total comprehensive income for the year	-	-	-	81,271,716	960,443	(1,218,253)	(257,810)	81,013,906	4,938,471	85,952,377
Dividend paid (Note 32)	-	-	-	(70,549,995)	-	-	-	(70,549,995)	-	(70,549,995)
Transferred surplus on revaluation of assets to retained earning (Note 25)	-	-	-	587,911	-	(587,911)	(587,911)	-	-	-
Balance as at 31 December 2014	391,944,418	149,420,558	39,194,453	210,280,594	960,803	128,524,362	129,485,165	920,325,188	65,577,115	985,902,303

The accompanying notes are an integral part of the financial statements.



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2014

(Unit: Baht)

	Separate financial statements							
	Other components of equity							
	Other comprehensive income						Total	
	Surplus (deficit) on changes in value of investments	Surplus on revaluation of assets	Total other components of shareholders' equity	shareholders' equity				
Issued and paid-up share capital	Share premium	Retained earnings	Unappropriated	Investments	assets	equity	equity	
Balance as at 1 January 2013	356,313,209	149,420,558	35,631,321	191,040,717	(1,597,260)	124,184,344	122,587,084	854,992,889
Profit for the year	-	-	-	73,388,207	-	-	-	73,388,207
Other comprehensive income for the year	-	-	-	-	1,597,620	-	1,597,620	1,597,620
Total comprehensive income for the year	-	-	-	73,388,207	1,597,620	-	1,597,620	74,985,827
Increase in share capital from issuance of stock dividend (Note 32)	35,631,209	-	-	(35,631,209)	-	-	-	-
Dividend paid (Note 32)	-	-	-	(39,593,635)	-	-	-	(39,593,635)
Transferred retained earnings to legal reserve (Note 26)	-	-	3,563,132	(3,563,132)	-	-	-	-
Transferred surplus on revaluation of assets to retained earning (Note 25)	-	-	-	266,498	-	(266,498)	(266,498)	-
Balance as at 31 December 2013	391,944,418	149,420,558	39,194,453	185,907,446	360	123,917,846	123,918,206	890,385,081
Balance as at 1 January 2014	391,944,418	149,420,558	39,194,453	185,907,446	360	123,917,846	123,918,206	890,385,081
Profit for the year	-	-	-	78,410,104	-	-	-	78,410,104
Other comprehensive income for the year	-	-	-	-	777,101	-	777,101	777,101
Total comprehensive income for the year	-	-	-	78,410,104	777,101	-	777,101	79,187,205
Dividend paid (Note 32)	-	-	-	(70,549,995)	-	-	-	(70,549,995)
Transferred surplus on revaluation of assets to retained earning (Note 25)	-	-	-	266,496	-	(266,496)	(266,496)	-
Balance as at 31 December 2014	391,944,418	149,420,558	39,194,453	194,034,051	777,461	123,651,350	124,428,811	899,022,291

The accompanying notes are an integral part of the financial statements.



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	107,213,054	87,084,473	99,598,126	88,955,032
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	129,781,654	122,548,960	111,676,997	104,906,851
Allowance for doubtful accounts and estimated goods return (reversal)	(2,473,343)	2,962,673	(1,307,013)	2,719,450
Adjustment from clearing accounts receivable	(201,074)	(1,203,890)	(201,074)	(1,203,890)
Allowance for impairment of assets	2,427,055	-	2,427,055	-
Expense from lost of inventories	12,235,522	12,897,884	12,235,522	12,897,884
Allowance for dilapidated slow moving and lost of inventories	26,236,333	51,369,033	26,236,333	51,369,033
Share of profit from investment in associate	(2,252,343)	(1,713,617)	-	-
Gain on sales of current investments	(1,481,713)	(4,122,608)	(1,248,405)	(4,122,608)
Loss from donation of goods and equipment	5,137,159	6,755,374	5,137,159	6,755,374
Loss from stock destruction	5,570,598	8,138,355	5,570,598	8,138,355
Provision for long-term employee benefits	12,283,668	1,505,898	11,403,572	939,002
Loss on sales and written-off equipment	9,543,315	4,107,850	9,606,158	4,073,188
Loss on impairment of investment	-	-	164,606	-
Amortisation of leasehold right on land and buildings	13,147,914	11,762,146	12,813,073	11,427,305
Adjustment from clearing accounts payable and coupon payable	(5,512,800)	(12,611,941)	(5,512,800)	(12,611,941)
Interest expenses	18,972,653	6,399,915	12,335,218	521,275
Interest income	(1,220,663)	(3,845,919)	(1,140,040)	(4,294,646)
Dividend income	-	(403,688)	(2,000,000)	(2,403,688)
Profit from operating activities before changes in operating assets and liabilities	329,406,989	291,630,898	297,795,085	268,065,976
Operating assets (increase) decrease				
Trade and other receivables	19,365,607	3,481,490	18,823,913	3,448,208
Inventories	(52,666,420)	(51,507,869)	(55,003,390)	(49,378,708)
Prepaid expenses	2,667,795	28,961,851	1,361,472	29,028,640
Compensation receivable from the insurance claim	57,038	(3,165,168)	57,038	(3,165,168)
Other current assets	2,398,433	(2,333,009)	4,968,401	(4,730,635)
Prepaid book copyright and translation fee	4,857,516	(642,219)	4,857,516	(642,219)
Rental guarantee and deposit	6,868,294	(3,417,754)	6,868,294	(3,417,754)
Other non-current assets	(1,736,241)	5,934,404	(1,736,210)	5,949,066

The accompanying notes are an integral part of the financial statements.



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Operating liabilities increase (decrease)				
Trade accounts payable	(193,290,936)	(129,093,989)	(193,173,247)	(128,865,306)
Income received in advance	(2,025,186)	12,310,993	-	-
Accrued expenses	8,060,871	(56,938,232)	4,780,946	(56,018,170)
Notes payables	(4,493,417)	(21,763,177)	(4,493,417)	(21,763,177)
Other payables	7,346,683	12,254,639	7,394,953	12,569,204
Other current liabilities	(15,974,570)	23,300,720	(15,893,880)	23,292,859
Cash paid for long-term employee benefits	(14,589,190)	(4,059,000)	(14,589,190)	(4,059,000)
Other non-current liabilities	(115,849)	(425,109)	(100,000)	(365,331)
Cash flows from operating activities	96,137,417	104,529,469	61,918,284	69,948,485
Cash paid for interest expenses	(18,918,201)	(6,399,915)	(12,280,766)	(521,275)
Cash paid for corporate income tax	(23,287,587)	(36,875,301)	(23,270,139)	(36,875,301)
Net cash flows from operating activities	53,931,629	61,254,253	26,367,379	32,551,909
Cash flows from investing activities				
(Increase) decrease in current investments	(301,251,594)	152,509,238	(241,251,595)	152,509,238
Increase in investment in subsidiaries	-	-	-	(1,050,000)
Dividend received from associated company	2,000,000	2,000,000	-	-
Interest income	1,322,986	3,845,919	1,242,363	4,294,645
Dividends income	-	403,688	2,000,000	2,403,688
Decrease (increase) in restricted bank deposit and other investment	1,271,559	(2,003,825)	1,271,559	(2,003,825)
Repayment of land property and equipment	(126,977,182)	(484,635,406)	(120,725,538)	(478,587,912)
Proceeds from sales of equipment	1,240,659	520,306	1,177,684	488,250
Repayment of intangible assets	(3,316,939)	(2,919,504)	(3,852,939)	(2,919,504)
Cash receipt from loan to subsidiary	-	-	-	15,044,000
Net cash flows used in investing activities	(425,710,511)	(330,279,584)	(360,138,466)	(309,821,420)
Cash flows from financing activities				
Repayment of short-term loans from financial institutions	(100,000,000)	-	(100,000,000)	-
Cash receipt from short-term loans from financial institutions	-	100,000,000	-	100,000,000
Cash receipt from long-term loans	529,500,000	21,770,000	500,000,000	-
Repayment of long-term loans	(44,740,000)	-	(23,840,000)	-
Increase in non-controlling interests	-	100,000	-	-
Dividend paid	(70,549,995)	(39,593,635)	(70,549,995)	(39,593,635)
Net cash flows from financing activities	314,210,005	82,276,365	305,610,005	60,406,365
Net decrease in cash and cash equivalents	(57,568,877)	(186,748,966)	(28,161,082)	(216,863,146)
Cash and cash equivalents at beginning of year	160,199,112	346,948,078	126,640,899	343,504,045
Cash and cash equivalents at end of year (Note 7)	102,630,235	160,199,112	98,479,817	126,640,899

The accompanying notes are an integral part of the financial statements.



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Supplemental cash flows information				
Non-cash transactions				
Increase in revaluation surplus on changes in value of available-for-sale investments	1,439,370	1,995,659	971,376	1,995,659
Purchase of fixed assets for which cash has not been paid	7,168,904	865,573	7,174,327	682,731
Issuance of stock dividend	-	35,631,209	-	35,631,209

The accompanying notes are an integral part of the financial statements.



SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Notes to financial statements

For the year ended 31 December 2014

1. General information

SE-EDUCATION PUBLIC COMPANY LIMITED ("the Company") is a public company incorporated and domiciled in Thailand. The Company listed on the Stock Exchange of Thailand on 29 April 1993. The Company's registered office is located at No. 1858/87-90, Bangna-Trad Road, Bangna Sub-District, Bangna District, Bangkok. Its distribution center is situated at 118 Moo 1, Tambon Sisa Chorakhe Yai, Bang Sao Tong District, Samutprakarn (formerly located at 99 Moo 1, Kingkaew Road, Tambon Rajatewa, Bangplee District, Samutprakarn).

The Company and its subsidiaries operate its business in Thailand and are authorized to engage in the following:

1. Operate SE-ED Book Center and network stores which consist of various university bookstores in Bangkok and other provinces as well as the network and sales area in various forms.
2. Distribute both books published by SE-ED and other publishers to bookstores all over the country and to other sales channels.
3. Publish book as well as academic and educational journals and provide services for display advertisements to be published in the Company's monthly magazine.
4. SE-ED Learning Center organises the youth camp known as "SE-ED Kiddy Camp", learning activities for the youth and training courses and seminars for the public.
5. Plearn Patt Co., Ltd. (subsidiary) operates Plearnpattana School, a private school offering courses for students from pre-kindergarten to Matayom 6.
6. BaesLab Co., Ltd. (subsidiary) operates in consulting, provision and distribution of software and hardware business.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.



The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014 (%)	2013 (%)
SE-ED Book Center Co., Ltd.	Business consultant	Thailand	99.99	99.99
Plearn Patt Co., Ltd.	Private school	Thailand	48.97	48.97
BaesLab Co., Ltd.	Technology consultant	Thailand	60.00	60.00

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.



(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>



TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company and its subsidiaries believes they will not have any significant impact on the financial statements in the year in which they are adopted.

However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.



TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that this standard will not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.



Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenues recognition

- a) Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances, except for consignment where the revenue from consignment is recognized when the event of either the sales report is received or the payment is received first.
- b) Advertising service revenue is recognised when services have been rendered taking into account the stage of completion.
- c) School entrance fees are recognised as income at the time of acceptance of the students by the subsidiary.
- d) Education supporting fees are recognised as income of the school term to which they relate.
- e) Interest income is recognised on an accrual basis based on the effective interest rate.
- f) Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade and other receivables/Allowance for doubtful accounts and returned goods

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Allowance for returned goods is based on the percentage of the average returned goods for the year of provincial accounts receivable at the end of the period.



4.4 Inventories/Allowance for dilapidated, slow moving and lost of inventories

Finished goods are valued at the lower of cost (weighted average) and net realisable value. Cost includes all production costs and attributable factory overheads.

Work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value.

Raw materials are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

Allowance for dilapidated and slow moving is based on the percentage of the inventory turnover in conjunction with the consideration of the book editor.

Allowance for lost goods are charged at rates of 0.30% for each sales branch. The reversal of such allowance incurred when the inventory taking and inventories lost actually at the branch.

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in associate are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of provision for impairment of investments (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

4.6 Property, plant and equipment/Depreciation

Land and building and improvement are stated at revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made every 5 year to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.



Equipments are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of building and equipment is calculated by reference to their costs or the revalued amounts on the straight-line basis over the following estimated useful lives:

Land improvement	10 - 50	years
Buildings and building improvement	5 - 50	years
Building decorations	5 - 6	years
Office equipment and air conditioners	5 - 10	years
Motor vehicles	5 - 10	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



4.8 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 - 10 years
Book copyright and translation fee	Amortised per number of book sold

4.9 Leasehold right on land and building/Amortisation

Leasehold right on land and building are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation of leasehold right on land and building calculate base on the straight-line basis over the lease term.

The amortisation expense are included in determining income.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.11 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.



Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where property, plant and equipment were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.



4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by the director of human resource and organisation development of the Company, based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

The defined benefits liability and other long-term benefit liabilities comprise the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

4.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.



Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.



Provision for diminution in value of inventories

In determining of provision for diminution in value of inventories (allowance for dilapidated, slow moving and lost goods), the management needs to make judgement and estimates based upon, among other things, past goods returned history, inventory turnover, the consideration of the book edition and past good lost history.

Provision for impairment of investments in securities

The Company and its subsidiaries treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company and its subsidiaries measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the cost approach for buildings. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate and staff turnover rate.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.



(Unit: Thousand Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiary</u>					
(being eliminated in the consolidated financial statements)					
Purchase of goods	-	-	2,268	-	Mutually agreed agreement
Purchase of intangible assets	-	-	3,840	-	Mutually agreed agreement
Sales of goods	-	-	821	2,637	Market price
Interest income	-	-	-	542	MOR per annum
<u>Transactions with associate</u>					
Dividend income	-	-	2,000	2,000	As declared
<u>Transactions with management and directors</u>					
Lease land	1,101	1,101	-	-	Mutually agreed agreement
Amortised land leasehold right	335	335	-	-	Mutually agreed agreement
Interest expenses	30	542	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchases of goods	725	10,727	725	10,727	Market price

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related parties and companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Leasehold right on land</u>				
Shareholder/director of subsidiary	6,367	6,701	-	-
<u>Trade accounts receivable (Note 9)</u>				
Subsidiary	-	-	66	28
Related companies of shareholders	787	170	787	170
Total	787	170	853	198
<u>Trade accounts payable (Note22)</u>				
Associate	1,710	1,692	1,710	1,692
Shareholders	1,725	2,389	1,725	2,389
Related companies of shareholders	16	3,604	16	3,604
Total	3,451	7,685	3,451	7,685



Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
	2014	2013
Short-term employee benefits	26.70	28.55
Post-employment benefits	0.95	1.27
Total	27.65	29.82

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2014	2013
Cash	28,077	32,618
Bank deposits with maturity not over 3 months	74,553	127,581
Total	102,630	160,199

As at 31 December 2014, bank deposit in saving accounts, fixed deposits and government bonds carried interest between 0.125% and 2.30% per annum (2013: between 0.125% and 2.50% per annum).

8. Current investments

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2014	2013
	Cost	Fair value
Available-for-sale securities		
Fixed income fund	324,733	326,173
Add: Unrealised gain from revaluation of investments	1,440	-
Total available-for-sale securities	326,173	326,173
Current investments - net	326,173	326,173



(Unit: Thousand Baht)

	Separate financial statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Fixed income fund	264,500	265,472	22,000	22,000
Add: Unrealised gain from revaluation of investments	972	-	-	-
Total available-for-sale securities	265,472	265,472	22,000	22,000
Current investments - net	265,472	265,472	22,000	22,000

9. Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	(Unit: Thousand Baht)			
	2014	2013	2014	2013
<u>Trade accounts receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	787	170	822	198
Past due				
Up to 6 months	-	-	31	-
Total trade accounts receivables - related parties, net	787	170	853	198
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	47,599	46,079	47,547	46,079
Past due				
Up to 6 months	34,953	53,255	32,119	51,029
6 - 12 months	1,657	1,669	1,289	1,252
Over 12 months	5,215	6,474	4,611	4,740
Total	89,424	107,477	85,566	103,100
Less: Allowance for doubtful debts	(8,484)	(12,741)	(7,720)	(10,810)
Allowance for goods return	(4,975)	(3,192)	(4,975)	(3,192)
Total trade accounts receivables - unrelated parties, net	75,965	91,544	72,871	89,098
<u>Other receivables</u>				
Advances	1,073	2,447	979	2,239
Insurance claim receivable	3,108	3,165	3,108	3,165
Others	4,467	4,823	3,847	4,330
Total other receivables	8,648	10,435	7,934	9,734
Trade and other receivables - net	85,400	102,149	81,658	99,030



10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net
	2014	2013	2014	2013	2014 2013
Raw materials	11,662	16,785	-	-	11,662 16,785
Work in process	9,015	9,056	(433)	(511)	8,582 8,545
Finished goods	559,549	524,662	(202,621)	(176,307)	356,928 348,355
Total	580,226	550,503	(203,054)	(176,818)	377,172 373,685

(Unit: Thousand Baht)

Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net
	2014	2013	2014	2013	2014 2013
Raw materials	11,662	16,785	-	-	11,662 16,785
Work in process	9,015	6,800	(433)	(511)	8,582 6,289
Finished goods	558,485	523,517	(202,521)	(176,207)	355,964 347,310
Total	579,162	547,102	(202,954)	(176,718)	376,208 370,384

11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Supplies	15,677	13,590	15,055	12,887
Prepaid expenses	13,685	16,353	14,149	15,510
Other current assets	5,557	10,145	5,386	12,625
Total	34,919	40,088	34,590	41,022



12. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separated financial statements		Interest rate (% p.a.)
	2014	2013	
Fixed deposits with 12 months maturity	8,000	9,272	2.30 - 3.50
Government bonds with 7 years maturity	5,310	5,310	3.625
Total	13,310	14,582	

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 33.3.

13. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
			(%)	(%)						
SE-ED Book Center Co.,Ltd.	1,000	1,000	99.99	99.99	1,000	1,000	(165)	-	835	1,000
BaesLab Co., Ltd.	250	250	60.00	60.00	150	150	-	-	150	150
Plearn Patt Co.,Ltd.	169,476	169,476	48.97	48.97	83,000	83,000	(13,668)	(13,668)	69,332	69,332
					84,150	84,150	(13,833)	(13,668)	70,317	70,482

14. Investments in associate

14.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements				Carrying amounts based on equity method	
			Shareholding percentage		Cost		2014	2013
			2014	2013	2014	2013	2014	2013
			(%)	(%)				
M and E Co., Ltd.	Painting office production of technical magazines and engineering manuals	Thailand	25	25	100	100	25,937	25,684
					100	100	25,937	25,684



(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on cost method - net	
			2014	2013	2014	2013	2014	2013
			(%)	(%)				
M and E Co., Ltd.	Painting office production of technical magazines and engineering manuals	Thailand	25	25	100	100	100	100
					<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

14.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investments in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate during the year		Dividend received during the year	
	2014	2013	2014	2013
M and E Co., Ltd.	2,252	1,714	2,000	2,000
	<u>2,252</u>	<u>1,714</u>	<u>2,000</u>	<u>2,000</u>

14.3 Summarised financial information of associate

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for the year ended		Profit for the year ended	
	as at		as at		as at		ended		year ended	
	31 December		31 December		31 December		31 December		31 December	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
M and E Co., Ltd.	0.4	0.4	106.7	117.2	5.4	4.8	28.8	27.1	9.0	6.9



15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis		Cost basis				Total
	Land and land improvements	Buildings and building improvement	Building decorations	Office equipment and air conditioners	Motor vehicles	Assets under installation	
Cost / Revalued amount:							
1 January 2013	509,567	271,478	443,320	723,490	45,239	146,321	2,139,415
Additions	381	1,011	8,496	64,316	-	411,296	485,500
Disposals	-	-	(11,077)	(22,786)	-	-	(33,863)
Written off	-	-	(4,341)	(4,081)	-	-	(8,422)
Transfer in (out)	-	42	40,666	11,270	-	(51,978)	-
31 December 2013	509,948	272,531	477,064	772,209	45,239	505,639	2,582,630
Additions	48	540	7,294	30,396	-	95,868	134,146
Disposals	-	-	(1,960)	(33,009)	-	-	(34,969)
Written off	-	-	(28,228)	(32,171)	-	(359)	(60,758)
Transfer in (out)	43,447	380,802	14,193	155,620	-	(594,062)	-
31 December 2014	553,443	653,873	468,363	893,045	45,239	7,086	2,621,049
Accumulated depreciation:							
1 January 2013	11,376	68,568	303,153	471,584	33,053	-	887,734
Depreciation for the year	1,371	9,660	39,580	67,505	1,599	-	119,715
Depreciation on disposals	-	-	(9,861)	(21,808)	-	-	(31,669)
Depreciation on written off	-	-	(2,302)	(3,687)	-	-	(5,989)
31 December 2013	12,747	78,228	330,570	513,594	34,652	-	969,791
Depreciation for the year	2,042	15,589	41,367	67,053	1,576	-	127,627
Depreciation on disposals	-	-	(907)	(32,923)	-	-	(33,830)
Depreciation on written off	-	-	(19,757)	(31,357)	-	-	(51,114)
31 December 2014	14,789	93,817	351,273	516,367	36,228	-	1,012,474
Allowance for impairment:							
1 January 2014	-	-	-	-	-	-	-
Increase during the year	-	-	2,427	-	-	-	2,427
31 December 2014	-	-	2,427	-	-	-	2,427
Net book value:							
31 December 2013	497,201	194,303	146,494	258,615	10,587	505,639	1,612,839
31 December 2014	538,654	560,056	114,663	376,678	9,011	7,086	1,606,148
Depreciation for the year							
2013 (Baht 14.50 million included in cost of services, and the balance in selling and administrative expenses)							119,715
2014 (Baht 14.78 million included in cost of services, and the balance in selling and administrative expenses)							127,627



	Separate financial statements						
	Revaluation basis		Cost basis				Total
	Buildings		Office				
	Land and land improvements	and building improvement	Building decorations	equipment and air conditioners	Motor vehicles	Assets under installation	
Cost / Revalued amount:							
1 January 2013	470,658	25,677	443,319	668,489	43,695	147,735	1,799,573
Additions	-	-	8,496	60,493	-	410,282	479,271
Disposals	-	-	(11,077)	(21,991)	-	-	(33,068)
Written off	-	-	(4,341)	(4,020)	-	-	(8,361)
Transfer in (out)	-	-	40,666	10,472	-	(51,138)	-
31 December 2013	470,658	25,677	477,063	713,443	43,695	506,879	2,237,415
Additions	-	-	7,294	26,757	-	93,848	127,899
Disposals	-	-	(1,960)	(32,853)	-	-	(34,813)
Written off	-	-	(28,228)	(32,171)	-	(359)	(60,758)
Transfer in (out)	43,447	378,944	14,193	155,145	-	(591,729)	-
31 December 2014	514,105	404,621	468,362	830,321	43,695	8,639	2,269,743
Accumulated depreciation:							
1 January 2013	658	15,677	303,152	441,844	31,510	-	792,841
Depreciation for the year	-	333	39,580	60,607	1,599	-	102,119
Depreciation on disposals	-	-	(9,861)	(21,077)	-	-	(30,938)
Depreciation on written off	-	-	(2,302)	(3,628)	-	-	(5,930)
31 December 2013	658	16,010	330,569	477,746	33,109	-	858,092
Depreciation for the year	669	6,070	41,367	59,836	1,576	-	109,518
Depreciation on disposals	-	-	(907)	(32,767)	-	-	(33,674)
Depreciation on written off	-	-	(19,757)	(31,357)	-	-	(51,114)
31 December 2014	1,327	22,080	351,272	473,458	34,685	-	882,822
Allowance for impairment:							
1 January 2014	-	-	-	-	-	-	-
Increase during the year	-	-	2,427	-	-	-	2,427
31 December 2014	-	-	2,427	-	-	-	2,427
Net book value:							
31 December 2013	470,000	9,667	146,494	235,697	10,586	506,879	1,379,323
31 December 2014	512,778	382,541	114,663	356,863	9,010	8,639	1,384,494
Depreciation for the year							
2013 (Included in selling and administrative expenses)							102,119
2014 (Included in selling and administrative expenses)							109,518

The Company and a subsidiary company arranged for an independent professional valuer to appraise the value of certain assets in 2012 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the Market approach.
- Land and buildings were revalued using the Cost approach, which represents the estimated cost to construct a new building at the current replacement cost less depreciation based on useful life and plus the market value of the land.



Had the land and buildings been carried in the financial statements based on historical cost, their net book values as of 31 December 2014 and 2013 would have been as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Land and land improvements	393,424	351,971	367,548	324,770
Buildings and building improvements	171,424	178,223	-	-

As at 31 December 2014, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 712.7 million (2013: Baht 629.6 million) (the Company only: Baht 687.2 million, 2013: Baht 606.4 million).

16. Leasehold right on land

The whole amount of the leasehold rights consisted of two land lease agreements which the subsidiary entered into with its shareholders totalling Baht 10 million. It is related to the lease of land area of approximately 20 rais for the period of 30 years for the purpose of operating an education institute. The contracts stipulate that, during the contractual period, the lessor agreed not to sell the leased land to anyone without obtaining prior consent from the subsidiary and, if the lessor has the utmost need and could not find any other alternative, the lessor promises to offer the land for sale to the subsidiary first at an arm's-length price. If the subsidiary does not respond to the offer within 60 days, the lessor is entitled to sell the leased land to a third party who will be obliged to bind himself or herself to the conditions stipulated in these lease contracts.

During the year ended 31 December 2014, the subsidiary amortised leasehold right as expense totalling Baht 0.33 million (2013: Baht 0.33 million).

17. Leasehold right on buildings

The whole amount of the leasehold on buildings represented leased areas in leading shopping centers in order to open SE-ED Book Center. The terms of these leaseholds range between 10 to 30 years. For the year ended 31 December 2014, the Company amortised leasehold right as expenses totalling Baht 12.8 million (2013: Baht 11.4 million).



18. Intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	Computer software	Computer software
As at 31 December 2014:		
Cost	47,980	48,015
Less: Allowance for diminution in value	(38,839)	(38,478)
Net book value	9,141	9,537
As at 31 December 2013:		
Cost	44,662	44,161
Less: Allowance for diminution in value	(36,682)	(36,318)
Net book value	7,980	7,843

A reconciliation of the net book value of intangible assets for the years 2014 and 2013 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	7,980	7,894	7,843	7,711
Acquisition of computer software	3,317	2,919	3,853	2,919
Amortisation	(2,156)	(2,833)	(2,159)	(2,787)
Net book value at end of year	9,141	7,980	9,537	7,843



19. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Long-term prepaid expenses	2,022	285	2,022	285
Others	45	45	-	-
Total	2,067	330	2,022	285

20. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated / Separate financial statements	
		2014	2013
Short-term loans from financial institutions	3.45 - 4.03	-	100,000

These balances are unsecured loans and were repaid during the year.

21. Income received in advance / income from tuition fees

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Income received in advance - not yet recognised	46,782	48,807
Less: Income received in advance recognisable within one year	(42,627)	(39,729)
Net	4,155	9,078



During the year ended 31 December 2014 and 2013, movements of income received in advance are as follows:

(Unit: Thousand Baht)

	The initial entrance fee	Education supporting fee	Total
Balance as at 1 January 2013	4,318	32,178	36,496
Plus: Increase during the year	11,024	129,371	140,395
Less: Income recognition during the year	(10,322)	(116,718)	(127,040)
Less: Returned due to resignation of students	(240)	(804)	(1,044)
Balance as at 31 December 2013	4,780	44,027	48,807
Plus: Increase during the year	11,583	132,128	143,711
Less: Income recognition during the year	(11,490)	(132,486)	(143,976)
Less: Returned due to resignation of students	(120)	(1,640)	(1,760)
Balance as at 31 December 2014	4,753	42,029	46,782

22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts payable - related parties	3,451	7,685	3,451	7,685
Trade accounts payable - unrelated parties	943,379	1,132,436	942,792	1,131,730
Accrued expenses	78,973	70,857	70,837	66,002
Other payables for purchase of machineries	11,472	4,303	11,296	4,122
Notes payable	6,442	10,936	6,442	10,936
Other payables	45,558	38,211	45,545	38,150
Total	1,089,275	1,264,428	1,080,363	1,258,625



23. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Coupon payable	21,627	24,369	21,627	24,369
Accrued withholding tax	2,603	3,442	2,270	3,174
Unearned income	2,693	7,780	2,481	7,490
Retention for construction	6,442	16,642	6,442	16,642
Others	2,746	5,366	2,233	4,785
Total	36,111	57,599	35,053	56,460

24. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2014	2013	2014	2013
1	THBFIX + 1.74%	Monthly installment as from 31 July 2014 with the last installment in 30 June 2021	232,120	-	232,120	-
2	MLR-1.5%	Monthly installment as from 30 November 2014 with the last installment in 31 October 2021	244,040	-	244,040	-
3	6.00 - 7.50	Settlement at maturity date of the contracts	105,080	96,480	-	-
Total			581,240	96,480	476,160	-
Less: Current portion			(81,430)	(20,700)	(71,520)	-
Long-term loans, net of current portion			499,810	75,780	404,640	-

The loan is secured by a negative pledge of assets of the Company and the loan agreement contains covenants that, among other things, require the Company to maintain certain gearing and debt service coverage ratios specified in the agreements.



25. Revaluation surplus

This represents surplus arising from revaluation of property, plant and equipment. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Balance - beginning of year	130,330	130,917	123,918	124,184
Less: Income tax effect	(1,218)	-	-	-
Less: Amortisation	(588)	(587)	(267)	(266)
Balance - end of year	128,524	130,330	123,651	123,918

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

27. Expenses by nature

Significant expenses by nature are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Salary and wages and other employee benefits	744,228	741,240	654,747	664,547
Depreciation and amortisation	142,930	134,311	124,490	116,334
Rental, service and utilities expenses	501,776	541,710	496,376	536,671
Provision for diminution in value of receivables and inventories	45,440	75,700	45,490	75,425
Purchase of goods and raw materials used	2,960,521	3,268,911	2,934,466	3,268,911
Changes in inventories of finished goods and work in process	(34,846)	(29,091)	(37,183)	(26,961)
Variable expense based on sale volume	117,191	115,869	117,191	115,869



28. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
	2014	2013
Current income tax:		
Current income tax charge	26,846	27,359
Adjustment in respect of income tax of previous year	(322)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(5,330)	(11,792)
Income tax expense reported in the statement of comprehensive income	21,194	15,567

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	2014	2013
Deferred tax on gain from the change in value of available-for-sale investments	(287,874)	(398,039)
Deferred tax on gain from revaluation of land and buildings	(1,218,253)	-
	(1,506,127)	(398,039)



Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2014 and 2013 is presented below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2014	2013	2014	2013
Accounting profit before tax	107,213	87,084	99,598	88,955
Applicable tax rate	20%, 15%, 0%	20%, 0%	20%	20%
Accounting profit before tax multiplied by income tax rate	21,778	17,417	19,920	17,791
Adjustment in respect of income tax of previous year	(322)	-	(322)	-
Effects of:				
Income not subject to tax	(2,233)	(113)	(400)	(400)
Non-deductible expenses	3,709	3,213	3,709	3,156
Additional expense deductions allowed	(1,738)	(4,980)	(1,719)	(4,980)
Others	-	30	-	-
Total	(584)	(1,850)	1,268	(2,224)
Income tax expenses reported in the statement of comprehensive income	21,194	15,567	21,188	15,567



The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	Statements of financial		Statements of financial	
	position		position	
	2014	2013	2014	2013
Deferred tax assets				
Allowance for doubtful accounts	2,539	2,800	2,539	2,800
Allowance for diminution in value of inventories	39,587	33,922	39,587	33,922
Allowance for asset impairment	485	-	485	-
Provision for long-term employee benefits	8,119	8,746	8,108	8,746
Total	50,730	45,468	50,719	45,468
Deferred tax liabilities				
Gain on re-measuring available- for-sale investments	288	-	194	-
Unrealised gain from revaluation of trading investments	32,130	30,979	30,912	30,979
Total	32,418	30,979	31,106	30,979
Deferred tax assets - net	18,312	14,489	19,613	14,489

29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.



The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company						
81,272	72,290	391,944	391,944	0.21	0.18	
Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company						
78,410	73,388	391,944	391,944	0.20	0.19	

30. Segment information

Operating segment information is reported in a manner consistent with the internal reporting the chief operating decision maker has received and regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on the sales channels of products and services and have three reportable segments (1) retail business (2) other distribution channels and (3) institution of private education business.

No operating segments have been aggregated to form the above reportable operating segments.

Chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, the Company and its subsidiaries financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.



Inter-segment revenues are eliminated on consolidation.

The following table present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2014 and 2013, respectively.

(Unit: Thousand Baht)

Year ended 31 December 2014	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	3,919,106	846,241	147,305	4,912,652	-	4,912,652
Inter-segment revenue	-	6,817	-	6,817	(6,817)	-
Gain on sales of assets	38	-	63	101	-	101
Depreciation and amortisation	(84,697)	(26,622)	(18,462)	(129,781)	-	(129,781)
Loss on written-off assets	(9,644)	-	-	(9,644)	-	(9,644)
Segment profit from operations	16,492	90,723	15,527	122,742	-	122,742
Share of profit from investment in associate						2,252
Interest and dividend revenues						1,221
Interest expenses						(19,002)
Profit before income tax expenses						107,213
Income tax expenses						(21,194)
Profit for the year						86,019

(Unit: Thousand Baht)

Year ended 31 December 2013	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	4,354,816	823,050	130,541	5,308,407	-	5,308,407
Inter-segment revenue	-	2,623	-	2,623	(2,623)	-
Depreciation and amortization	(87,910)	(16,663)	(17,976)	(122,549)	-	(122,549)
Loss on written-off assets	(4,107)	-	-	(4,107)	-	(4,107)
Segment profit from operations	48,968	33,711	4,892	87,571	-	87,571
Share of profit from investment in associate						1,713
Interest and dividend revenues						4,201
Interest expenses						(6,400)
Profit before income tax expenses						87,085
Income tax expenses						(15,567)
Profit for the year						71,518

The basis of pricing between the Company and its subsidiary is consistent with that for third party transactions.



Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2014 and 2013, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

31. Post-employment benefits for employees

31.1 Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Ayudhaya Fund Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company contributed Baht 15.9 million (2013: Baht 17.4 million) to the fund.

31.2 Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	45,912	48,466	43,728	46,848
Current service cost	4,243	4,285	2,964	3,779
Interest cost	1,820	1,987	1,727	1,921
Actuarial loss (gain)	6,221	(4,767)	6,712	(4,761)
Benefits paid during the year	(14,589)	(4,059)	(14,589)	(4,059)
Defined benefit obligation at end of year	43,607	45,912	40,542	43,728



Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current service cost	4,243	4,285	2,964	3,779
Interest cost	1,820	1,987	1,727	1,921
Actuarial loss (gain) recognised during the year	6,221	(4,767)	6,712	(4,761)
Total expense recognized in profit or loss	12,284	1,505	11,403	939
Line items under which such expenses are included in profit or loss				
Cost of sales	2,326	470	1,909	103
Selling and administrative expenses	9,958	1,035	9,494	836

Principal actuarial assumptions at the valuation date were as follows:

(Unit: % p.a.)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Discount rate	3.9 - 4.2	4.1	3.9	4.1
Future salary increase rate (depending on age)	5.0	5.0	5.0	5.0
Staff turnover rate*	16.1 - 67.3	18.7 - 50.5	16.1 - 39.9	18.7 - 50.5

*Percentage change in the number of employees with high turnover rates are only part of the branches employees which rate is as well as the retail sector with an average turnover rate of approximately 30% to 60% per year.

Amounts of defined benefit obligation and experience adjustments on the obligation for the current and the past four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statements	statements	statements	statements
Year 2014	43,607	40,542	6,221	6,712
Year 2013	45,912	43,728	(4,767)	(4,761)
Year 2012	48,466	46,848	-	-
Year 2011	45,742	44,307	-	-
Year 2010	38,758	38,266	-	-



32. Dividends / stock dividends

Dividends / stock dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Stock dividend from the operating results of the year 2012	Annual General Meeting of the shareholders on 25 April 2013	35.63	0.10
Dividend from the operating results of the year 2012	Annual General Meeting of the shareholders on 25 April 2013	39.60	0.11
Total dividend paid and stock dividend during the year ended 31 December 2013		<u>75.23</u>	<u>0.21</u>
Dividend from the operating results of the year 2013	Annual General Meeting of the shareholders on 24 April 2014	70.55	0.18
Total dividend paid during the year ended 31 December 2014		<u>70.55</u>	<u>0.18</u>

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2013, there is capital commitments, relating to the construction of warehouse and distribution center of Baht 54 million (2014: None).

33.2 Operating lease commitments

- As 31 December 2014, the Company entered into building lease and services agreements for use as the head office and merchandise distribution center. The Company has also entered into space rental agreements for use as branch offices, totaling 397 branches (2013: 429 branches.) The lease periods ranged from 1 to 12 years and 9 months. For the year ended 31 December 2014, the total rental and utility fees were approximately Baht 506.6 million. (2013: Baht 558.9 million) Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- The Company has entered into several lease agreements in respect of the lease of office building space, land and warehouses. The terms of the agreements are generally between 1 and 30 years.



Future minimum lease payments required under operating leases contracts were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2014</u>	<u>2013</u>
Outstanding commitments:		
Less than 1 year	24.8	28.1
1 to 5 years	31.9	56.7
More than 5 years	31.8	35.3

During the year ended 31 December 2014, the Company recognised rental expenses in the income statement of Baht 22.1 million. (2013: Baht 36.4 million)

33.3 Guarantees

As at 31 December 2014, there were outstanding bank guarantee of approximately Baht 4.9 million (2013: Baht 13.7 million) issued by banks on behalf of the Company in respect of certain contractual performance and guarantee rental. In addition, other investments of Baht 1.9 million (2013: Baht 2.6 million) were pledged to guarantee the electricity usage and rental of head office.

33.4 Long-term service commitments

- a) The Company entered into agent appointment agreement with a foreign company for the contractual period of 3 year commencing from 1 January 2013 to 31 December 2015. Upon expiration of the term, the Agreement shall be automatically renewed for successive one year unless either party notifies the other of its intention in writing to terminate the Agreement.
- b) The Company entered into three-year contracts allowing the use of copyrights with various authors which can be automatically extended for another three years and agreed to pay, remuneration at the percentage of the number of books published or sold.

34. Financial instruments

34.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.



Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivable. The Company and its subsidiaries manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to its cash at banks, bank overdrafts, and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidate financial statements						
As at 31 December 2014						
Fixed interest rates						
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
Financial Assets						
Cash and cash equivalent	75	-	-	28	103	0.125 - 2.30
Current investments	-	-	-	326	326	-
Trade and other receivables	-	-	-	85	85	-
Restricted bank deposits	-	13	-	-	13	2.30 - 3.625
	75	13	-	439	527	
Financial liabilities						
Trade and other payables	-	-	-	1,089	1,089	-
Long-term loans	10	95	-	476	581	5.16 - 7.50
	10	95	-	476	1,089	



(Unit: Million Baht)

Consolidate financial statements

As at 31 December 2013

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial Assets</u>							
Cash and cash equivalent	127	-	-	-	33	160	0.125 - 2.70
Current investments	-	-	-	22	-	22	2.76
Trade and other receivables	-	-	-	-	102	102	-
Restricted bank deposits	-	15	-	-	-	15	2.35 - 3.625
	127	15	-	22	135	299	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,264	1,264	-
Long-term loans	-	75	-	-	-	75	6.0 - 7.0
	-	75	-	-	1,264	1,339	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2014

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial Assets</u>							
Cash and cash equivalent	70	-	-	-	28	98	0.125 - 2.30
Current investments	-	-	-	-	265	265	-
Trade and other receivables	-	-	-	-	82	82	-
Restricted bank deposits	-	13	-	-	-	13	2.30 - 3.625
	70	13	-	-	375	458	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,080	1,080	-
Long-term loans	-	-	-	476	-	476	5.16 - 5.25
	-	-	-	476	1,080	1,556	



(Unit: Million Baht)

Separate financial statements							
As at 31 December 2013							
Fixed interest rates						Effective interest rate (% per annum.)	
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial Assets</u>							
Cash and cash equivalent	94	-	-	-	33	127	0.125 - 2.70
Current investments	-	-	-	22	-	22	2.76
Trade and other receivables	-	-	-	-	99	99	-
Short-term loans to subsidiaries							
Restricted bank deposits	-	15	-	-	-	15	2.35 - 3.625
	94	15	-	22	132	263	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,258	1,258	-
	-	-	-	-	1,258	1,258	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2014	2013	2014	2013	2014	2013
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
USD	-	-	14	10	33.1132	32.9494
SGD	3	9	-	-	25.1274	26.1167
GBP	-	-	892	408	51.5035	54.2572



Foreign exchange contracts outstanding are summarised below.

As at 31 December 2014

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
			(Baht per 1 foreign currency unit)		
GBP	0.3	-	51.70 - 52.16	-	January - February 2015

34.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

35. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Group's total liabilities to shareholders' equity ratio as at 31 December 2014 was 1.84:1 (2013: 1.68:1), and the Company only was 1.84:1 (2013: 1.66:1).

36. Event after the reporting period

The meeting of the Company's Board of Directors held on 26 February 2015 passed a resolution to pay dividends to the Company's shareholders from the operations for the year 2014. The Company will pay a cash dividend at Baht 0.18 per share, or equivalent to amount of not exceed Baht 70.55 million. Dividend will be paid and accounted for after the approval of the Annual General Meeting of the Company's shareholders.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2015.

