

SE-EDUCATION PUBLIC COMPANY LIMITED  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2015

## **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 2015, 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.

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 2015, 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 2016

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of financial position

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	131,671,472	102,630,235	86,443,582	98,479,817
Current investments	9	189,301,574	326,173,127	157,187,871	265,471,827
Trade and other receivables	7, 10	70,419,465	85,400,478	66,360,726	81,657,646
Inventories	11	368,512,980	377,172,188	365,867,436	376,208,413
Other current assets	12	41,027,668	34,919,104	39,117,693	34,590,192
<b>Total current assets</b>		<b>800,933,159</b>	<b>926,295,132</b>	<b>714,977,308</b>	<b>856,407,895</b>
<b>Non-current assets</b>					
Restricted bank deposits and other investments	13	13,354,771	13,310,360	13,354,771	13,310,360
Investments in subsidiaries	14	-	-	70,305,466	70,317,416
Investments in associate	15	25,651,009	25,936,608	100,000	100,000
Property, plant and equipment	16	1,529,225,366	1,606,147,555	1,320,763,401	1,384,493,568
Leasehold rights on land	7, 17	6,031,724	6,366,565	-	-
Leasehold rights on buildings	18	63,291,797	74,595,808	63,291,797	74,595,808
Intangible assets	19	7,158,278	9,141,274	7,532,933	9,537,172
Prepaid book copyright and translation fee		16,266,072	18,295,104	16,266,072	18,295,104
Rental guarantee and deposit		100,358,323	101,308,189	100,358,323	101,308,189
Deferred tax assets	28	19,685,705	18,311,937	20,912,357	19,612,239
Other non-current assets	20	6,881,092	2,066,627	6,804,839	2,021,548
<b>Total non-current assets</b>		<b>1,787,904,137</b>	<b>1,875,480,027</b>	<b>1,619,689,959</b>	<b>1,693,591,404</b>
<b>Total assets</b>		<b>2,588,837,296</b>	<b>2,801,775,159</b>	<b>2,334,667,267</b>	<b>2,549,999,299</b>

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 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	7, 22	968,861,292	1,089,274,732	961,529,336	1,080,363,354
Current portion of long-term loans	24	87,920,000	81,430,000	71,520,000	71,520,000
Income received in advance recognisable					
within one year	21	43,560,954	42,626,374	-	-
Income tax payable		235,625	10,333,208	-	10,333,208
Current portion of provision for					
long-term employee benefits	31.2	3,630,000	4,354,000	3,630,000	4,354,000
Other current liabilities	23	25,547,600	36,111,160	23,800,048	35,053,226
Total current liabilities		1,129,755,471	1,264,129,474	1,060,479,384	1,201,623,788
Non-current liabilities					
Income received in advance	21	1,932,158	4,155,436	-	-
Long-term loans, net of current portion	24	411,890,000	499,810,000	333,120,000	404,640,000
Provision for long-term employee benefits, net of					
current portion	31.2	43,495,675	39,252,945	39,079,260	36,188,219
Other non-current liabilities		8,128,482	8,525,001	8,128,482	8,525,001
Total non-current liabilities		465,446,315	551,743,382	380,327,742	449,353,220
Total liabilities		1,595,201,786	1,815,872,856	1,440,807,126	1,650,977,008

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Shareholders' equity</b>					
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		211,567,450	210,280,594	187,765,562	194,034,051
Other components of shareholders' equity		130,330,203	129,485,165	125,535,150	124,428,811
Equity attributable to owners of the Company		922,457,082	920,325,188	893,860,141	899,022,291
Non-controlling interests of the subsidiaries		71,178,428	65,577,115	-	-
<b>Total shareholders' equity</b>		<b>993,635,510</b>	<b>985,902,303</b>	<b>893,860,141</b>	<b>899,022,291</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,588,837,296</b>	<b>2,801,775,159</b>	<b>2,334,667,267</b>	<b>2,549,999,299</b>

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



Director

## SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

## Statement of income

For the year ended 31 December 2015

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
<b>Revenues</b>				
Revenues from sales	4,343,305,599	4,768,676,232	4,340,601,204	4,765,634,134
Tuition fees income	21 153,232,203	143,976,526	-	-
Interest and dividend income	7, 15 914,244	1,220,663	2,806,382	3,140,040
Other income	45,118,215	51,063,215	36,725,225	40,963,312
<b>Total revenues</b>	<b>4,542,570,261</b>	<b>4,964,936,636</b>	<b>4,380,132,811</b>	<b>4,809,737,486</b>
<b>Expenses</b>				
Cost of sales	2,838,914,737	3,124,199,410	2,835,085,928	3,120,201,552
Cost of tuition fees	115,951,838	111,324,877	-	-
Selling expenses	985,252,584	1,028,406,072	985,252,584	1,028,406,072
Administrative expenses	482,683,048	570,822,954	457,687,683	542,484,964
<b>Total expenses</b>	<b>4,422,802,207</b>	<b>4,834,753,313</b>	<b>4,278,026,195</b>	<b>4,691,092,588</b>
<b>Profit before share of profit from investments in associate, finance cost and income tax expenses</b>				
Share of profit from investments in associate	15 1,714,401	2,252,343	-	-
<b>Profit before finance cost and income tax expenses</b>				
Finance cost	(28,343,888)	(19,002,654)	(22,207,818)	(12,335,218)
<b>Profit before income tax expenses</b>	<b>93,138,567</b>	<b>113,433,012</b>	<b>79,898,798</b>	<b>106,309,680</b>
Income tax expenses	28 (16,626,539)	(22,536,231)	(16,349,180)	(22,530,333)
<b>Profit for the year</b>	<b>76,512,028</b>	<b>90,896,781</b>	<b>63,549,618</b>	<b>83,779,347</b>
<b>Profit attributable to</b>				
Equity holders of the Company	70,876,498	86,400,224	63,549,618	83,779,347
Non-controlling interests of the subsidiaries	5,635,530	4,496,557		
	<b>76,512,028</b>	<b>90,896,781</b>		
<b>Earnings per share</b>				
Basic earnings per share	29			
Profit attributable to equity holders of the Company	0.18	0.22	0.16	0.21

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 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
			(Restated)		(Restated)
Profit for the year		76,512,028	90,896,781	63,549,618	83,779,347
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gain on changes in value of available-for-sale investments	9	1,703,358	1,439,370	1,716,044	971,376
Less: Income tax effect	28	(340,672)	(1,506,127)	(343,209)	(194,275)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		1,362,686	(66,757)	1,372,835	777,101
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss)	31.2	328,853	(6,219,958)	385,757	(6,711,554)
Less: Income tax effect	28	77,151	1,342,311	77,151	1,342,311
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		406,004	(4,877,647)	462,908	(5,369,243)
Other comprehensive income for the year		1,768,690	(4,944,404)	1,835,743	(4,592,142)
Total comprehensive income for the year		78,280,718	85,952,377	65,385,361	79,187,205
Total comprehensive income attributable to					
Equity holders of the Company		72,679,405	81,013,906	65,385,361	79,187,205
Non-controlling interests of subsidiaries		5,601,313	4,938,471		
Total comprehensive income for the year		78,280,718	85,952,377		

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 2015

(Unit: Baht)

Consolidated financial statements											
Equity attributable to the parent's shareholders											
Other components of equity											
Other comprehensive income											
Surplus (deficit) on changes in value of available-for-sale investments											
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											
Note	Issued and paid-up share capital	Share premium	Appropriated	Unappropriated	Retained earnings	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	
	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	
4	-	-	-	86,400,224	-	-	-	86,400,224	4,496,557	90,896,781	
4	-	-	-	(5,128,508)	960,443	(1,218,253)	(257,810)	(5,386,318)	441,914	(4,944,404)	
	-	-	-	81,271,716	960,443	(1,218,253)	(257,810)	81,013,906	4,938,471	85,952,377	
32	-	-	-	(70,549,995)	-	-	-	(70,549,995)	-	(70,549,995)	
25	-	-	-	587,911	-	(587,911)	(587,911)	-	-	-	
	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	
	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	
	-	-	-	70,876,498	-	-	-	70,876,498	5,635,530	76,512,028	
	-	-	-	435,042	1,367,865	-	1,367,865	1,802,907	(34,217)	1,768,690	
	-	-	-	71,311,540	1,367,865	-	1,367,865	72,679,405	5,601,313	78,280,718	
32	-	-	-	(70,547,511)	-	-	-	(70,547,511)	-	(70,547,511)	
25	-	-	-	522,827	-	(522,827)	(522,827)	-	-	-	
	391,944,418	149,420,558	39,194,453	211,567,450	2,328,668	128,001,535	130,330,203	922,457,082	71,178,428	993,635,510	
	391,944,418	149,420,558	39,194,453	211,567,450	2,328,668	128,001,535	130,330,203	922,457,082	71,178,428	993,635,510	

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 (continued)  
For the year ended 31 December 2015

(Unit: Baht)

Separate financial statements									
Other components of equity									
Other comprehensive income									
Surplus (deficit)									
on changes in value of available-for-sale investments									
Surplus on revaluation of assets									
Total other components of shareholders' equity									
Total shareholders' equity									
Note	Issued and paid-up share capital	Share premium	Retained earnings		Surplus on revaluation of assets	Total other components of shareholders' equity	Total shareholders' equity		
			Appropriated	Unappropriated					
	391,944,418	149,420,558	39,194,453	185,907,446	123,917,846	123,918,206	890,385,081		
4	-	-	-	83,779,347	-	-	83,779,347		
4	-	-	-	(5,369,243)	777,101	777,101	(4,592,142)		
	-	-	-	78,410,104	777,101	777,101	79,187,205		
32	-	-	-	(70,549,995)	-	-	(70,549,995)		
25	-	-	-	266,496	(266,496)	(266,496)	-		
	391,944,418	149,420,558	39,194,453	194,034,051	123,651,350	124,428,811	899,022,291		
	391,944,418	149,420,558	39,194,453	194,034,051	123,651,350	124,428,811	899,022,291		
	-	-	-	63,549,618	-	-	63,549,618		
	-	-	-	462,908	1,372,835	1,372,835	1,835,743		
	-	-	-	64,012,526	1,372,835	1,372,835	65,385,361		
32	-	-	-	(70,547,511)	-	-	(70,547,511)		
25	-	-	-	266,496	(266,496)	(266,496)	-		
	391,944,418	149,420,558	39,194,453	187,765,562	123,384,854	125,535,150	893,860,141		

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	93,138,567	113,433,012	79,898,798	106,309,680
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	124,173,308	129,781,654	106,560,193	111,676,997
Allowance for doubtful accounts and estimated goods return (reversal)	3,114,268	(2,473,343)	2,850,711	(1,307,013)
Adjustment from reconciliation accounts receivable	(5,743)	(201,074)	(5,743)	(201,074)
Allowance for impairment of assets (reversal)	(718,718)	2,427,055	(718,718)	2,427,055
Expense from loss of inventories	8,853,400	12,235,522	8,853,400	12,235,522
Allowance for dilapidated slow moving and loss of inventories	2,971,256	26,236,333	2,971,256	26,236,333
Share of profit from investment in associate	(1,714,401)	(2,252,343)	-	-
Gain on disposal of current investments	(3,046,911)	(1,481,713)	(2,121,822)	(1,248,405)
Expense for donation of goods and equipment	6,095,993	5,137,159	6,095,992	5,137,159
Loss from stock destruction	2,362,913	5,570,598	2,362,913	5,570,598
Provision for long-term employee benefits	8,462,448	6,063,710	6,861,798	4,692,018
Loss on sales and written-off equipment	2,657,224	9,543,315	2,655,156	9,606,158
Loss on impairment of investment	-	-	11,950	164,606
Amortisation of leasehold rights on land and buildings	11,638,851	13,147,914	11,304,010	12,813,073
Adjustment from clearing coupon payable	(7,741,600)	(5,512,800)	(7,741,600)	(5,512,800)
Interest expenses	28,343,887	18,972,653	22,207,818	12,335,218
Interest income	(914,245)	(1,220,663)	(806,382)	(1,140,040)
Dividend income	-	-	(2,000,000)	(2,000,000)
Profit from operating activities before changes in operating assets and liabilities	277,670,497	329,406,989	239,239,730	297,795,085
Operating assets (increase) decrease				
Trade and other receivables	8,764,358	19,365,607	9,343,822	18,823,913
Inventories	(11,624,354)	(52,666,420)	(9,942,583)	(55,003,390)
Prepaid expenses	(988,213)	2,667,795	555,407	1,361,472
Compensation receivable from the insurance claim	3,108,130	57,038	3,108,130	57,038
Other current assets	1,027,055	2,398,433	977,703	4,968,401
Prepaid book copyright and translation fee	2,029,032	4,857,516	2,029,032	4,857,516
Rental guarantee and deposit	949,866	6,868,294	949,866	6,868,294
Other non-current assets	1,125,535	(1,736,241)	1,156,709	(1,736,210)

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
Operating liabilities increase (decrease)				
Trade and other payables	(109,892,366)	(182,376,799)	(108,165,604)	(185,490,765)
Income received in advance	(1,288,698)	(2,025,186)	-	-
Other current liabilities	(2,821,960)	(15,974,570)	(3,511,578)	(15,893,880)
Cash paid for long-term employee benefits	(4,614,866)	(14,589,190)	(4,309,000)	(14,589,190)
Other non-current liabilities	(396,519)	(115,849)	(396,519)	(100,000)
Cash flows from operating activities	163,047,497	96,137,417	131,035,115	61,918,284
Cash paid for interest expenses	(28,371,352)	(18,918,201)	(22,235,283)	(12,280,766)
Cash paid for income tax	(34,469,195)	(23,287,587)	(34,356,350)	(23,270,139)
<b>Net cash flows from operating activities</b>	<b>100,206,950</b>	<b>53,931,629</b>	<b>74,443,482</b>	<b>26,367,379</b>
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments	141,621,822	(301,251,594)	112,121,822	(241,251,595)
Dividend received from associated company	2,000,000	2,000,000	-	-
Interest income	874,625	1,322,986	853,557	1,242,363
Dividends income	-	-	2,000,000	2,000,000
Decrease (increase) in restricted bank deposit and other investment	(44,411)	1,271,559	(44,411)	1,271,559
Acquisition of property and equipment	(63,810,483)	(126,977,182)	(59,506,615)	(120,725,538)
Proceeds from sales of equipment	215,291	1,240,659	208,487	1,177,684
Acquisition of intangible assets	(45,046)	(3,316,939)	(45,046)	(3,852,939)
<b>Net cash flows from (used in) investing activities</b>	<b>80,811,798</b>	<b>(425,710,511)</b>	<b>55,587,794</b>	<b>(360,138,466)</b>
<b>Cash flows from financing activities</b>				
Repayment of short-term loans from financial institutions	-	(100,000,000)	-	(100,000,000)
Cash receipt from long-term loans	-	529,500,000	-	500,000,000
Repayment of long-term loans	(81,430,000)	(44,740,000)	(71,520,000)	(23,840,000)
Dividend paid	(70,547,511)	(70,549,995)	(70,547,511)	(70,549,995)
<b>Net cash flows from (used in) financing activities</b>	<b>(151,977,511)</b>	<b>314,210,005</b>	<b>(142,067,511)</b>	<b>305,610,005</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>29,041,237</b>	<b>(57,568,877)</b>	<b>(12,036,235)</b>	<b>(28,161,082)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>102,630,235</b>	<b>160,199,112</b>	<b>98,479,817</b>	<b>126,640,899</b>
<b>Cash and cash equivalents at end of year (Note 8)</b>	<b>131,671,472</b>	<b>102,630,235</b>	<b>86,443,582</b>	<b>98,479,817</b>
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Increase in revaluation surplus on changes in value of available-for-sale investments	1,703,358	1,439,370	1,716,044	971,376
Purchase of fixed assets for which cash has not been paid	10,493,609	7,168,904	10,640,949	7,174,327
Actuarial gain (loss)	328,852	(6,219,958)	385,757	(6,711,554)
Transfer asset under installation to prepaid leasehold right	5,940,000	-	5,940,000	-

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 2015**

#### **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.

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

1. Operate bookstores which consist of SE-ED Book Center and network stores and various university bookstores in Bangkok and other provinces as well as the network and sales area in various forms.
2. Distribute books for both published by SE-ED and other publishers to bookstores all over the country and to other sales channels.
3. Publish books 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, is an education center that provides services and activities aiming to develop potentials and aptitudes of Thai children such as supplementary math and English course.
5. Plearnpattana School, which operates a private school offering courses for students from pre-kindergarten to Matayom 6.
6. BaesLab Co., Ltd. (subsidiary), which 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 Thai Financial Reporting Standard 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	
			2015	2014
			(%)	(%)
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) The Company is deemed to have control over an investee or subsidiaries 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.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) 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 present investments in subsidiaries and associate under the cost method.



### 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.

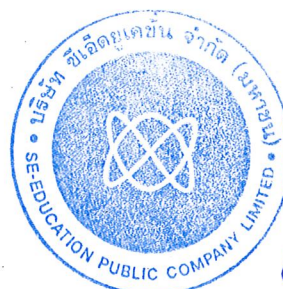
#### (a) Financial reporting standards that became effective in the current year

The Company and its subsidiaries has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries financial statements. However, some of these standards involve changes to key principles, which are summarised below:

#### TAS 19 (revised 2014) Employee Benefits

This revised accounting standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former accounting standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 4.





## **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This financial reporting standard changes the principles used in considering whether control exists. Under this financial reporting 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 investees and determining which entities have to be included in preparation of the consolidated financial statements.

This financial reporting standard does not have any impact on the Company's and its subsidiaries' financial statements.

## **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This financial reporting standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This financial reporting standard does not have any impact on the Company's and its subsidiaries' financial statements.

## **TFRS 12 Disclosure of Interests in Other Entities**

This financial reporting 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 on the financial statements of the Company and its subsidiaries.



### **TFRS 13 Fair Value Measurement**

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

This financial reporting standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

#### **(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

#### **4. Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standard**

As described in Note 3, during the current year, the Company and its subsidiaries have changed some of their accounting policies, as a result of the adoption of new and revised financial reporting standards. The cumulative effect of the change has been separately presented in the statements of changes in shareholders' equity.



The amounts of adjustments affecting the statements of comprehensive income are summarised below.

	(Unit: Thousand Baht)	
	For the year ended 31 December 2014	
	Consolidated	Separate
	financial statements	financial statements
<b>Statements of comprehensive income</b>		
<b>Profit or loss:</b>		
Decrease in actuarial losses	6,220	6,712
Increase in income tax expenses	1,342	1,342
Increase in profit for the year	4,878	5,370
<b>Other comprehensive income:</b>		
Increase in actuarial losses - net of income tax	4,878	5,370
Decrease in other comprehensive income	4,878	5,370
<b>Earnings per share (Baht):</b>		
Increase in basic earnings per share	0.01	0.01

## 5. Significant accounting policies

### 5.1 Revenues recognition

- 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.
- Advertising service revenue is recognised when services have been rendered taking into account the stage of completion.
- School entrance fees are recognised as income at the time of acceptance of the students by the subsidiary.
- Education supporting fees are recognised as income of the school term to which they relate.
- Interest income is recognised on an accrual basis based on the effective interest rate.
- Dividends are recognised when the right to receive the dividends is established.





## **5.2 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.

## **5.3 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.

## **5.4 Inventories/Allowance for dilapidated, slow moving and loss 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.

## **5.5 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.

## 5.6 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.

#### **5.7 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.

#### **5.8 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

#### **5.9 Leasehold rights on land and buildings/Amortisation**

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

The amortisation expense are included in determining income.

#### **5.10 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.

#### **5.11 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.

#### **5.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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.

#### **5.13 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.

#### **5.14 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 other comprehensive income and other long-term benefits are recognised immediately in profit and loss.

#### **5.15 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.

#### **5.16 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.





### 5.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

### 6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards 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:



**Consolidation of subsidiaries that the Company holds less than half of shares**

The management of the Company determined that the Company has control over Plearn Patt Company Limited, even though the Company holds 48.97% of shares and voting rights that is less than half of shares and voting rights. This is because the Company is a major shareholder and has the ability to direct the significant activities, while other shareholders are only minor shareholders. As a result, Plearn Patt Company Limited is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

**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.

**Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

**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.





### **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 as described in Note 16.

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.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **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.



## 7. 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 financial statements		Separate financial statements		Transfer Pricing Policy
	2015	2014	2015	2014	
<u>Transactions with subsidiary companies</u>					
(being eliminated in the consolidated financial statements)					
Purchase of goods	-	-	-	2,268	Market price
Purchase of intangible assets	-	-	-	3,840	Mutually agreed agreement
Sales of goods	-	-	923	821	Market price
Service expenses	-	-	3,400	-	Mutually agreed agreement
<u>Transactions with associate company</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 leasehold rights on land	335	335	-	-	Mutually agreed agreement
Interest expenses	30	30	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchases of goods	1,474	725	1,474	725	Market price

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related parties and companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Leasehold rights on land</u>				
Shareholder/director of subsidiary	6,032	6,367	-	-
<u>Trade accounts receivable (Note 10)</u>				
Subsidiary	-	-	-	66
Related companies of shareholders	1,083	787	1,083	787
Total	1,083	787	1,083	853
<u>Trade accounts payable (Note 22)</u>				
Associate	1,279	1,710	1,279	1,710
Shareholders	-	1,725	-	1,725
Related companies of shareholders	1,906	16	1,906	16
Total	3,185	3,451	3,185	3,451





### Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	27.58	26.70	24.48	23.81
Post-employment benefits	0.83	0.95	0.46	0.26
Total	28.41	27.65	24.94	24.07

### **8. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	26,848	28,077	26,650	27,903
Bank deposits with maturity not over 3 months	104,824	74,553	59,793	70,577
Total	131,672	102,630	86,443	98,480

As at 31 December 2015, bank deposit in saving accounts, fixed deposits and government bonds carried interest between 0.10% and 3.625% per annum (2014: between 0.125% and 2.30% per annum).

### **9. Current investments**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Investments in open-end fund - Cost	186,158	324,733	154,500	264,500
Add: Unrealised gain on changes in value of investments	3,143	1,440	2,688	972
Investments in open-end fund - Fair value	189,301	326,173	157,188	265,472
Total current investments	189,301	326,173	157,188	265,472



## 10. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
<u>Trade accounts receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,083	787	1,083	822
Past due				
Up to 6 months	-	-	-	31
Total trade accounts receivables - related parties, net	1,083	787	1,083	853
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	63,341	47,599	63,341	47,547
Past due				
Up to 6 months	14,988	34,953	11,683	32,119
6 - 12 months	3,967	1,657	3,392	1,289
Over 12 months	890	5,215	149	4,611
Total	83,186	89,424	78,565	85,566
Less: Allowance for doubtful debts	(9,569)	(8,484)	(8,541)	(7,720)
Allowance for goods return	(7,004)	(4,975)	(7,004)	(4,975)
Total trade accounts receivables - unrelated parties, net	66,613	75,965	63,020	72,871
<u>Other receivables</u>				
Advances	518	1,073	502	979
Insurance claim receivable	-	3,108	-	3,108
Others	2,206	4,467	1,756	3,847
Total other receivables	2,724	8,648	2,258	7,934
Trade and other receivables - net	70,420	85,400	66,361	81,658

## 11. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net		Inventories-net	
	2015	2014	realisable value		2015	2014
			2015	2014		
Raw materials	10,806	11,662	-	-	10,806	11,662
Work in process	8,104	9,015	(382)	(433)	7,722	8,582
Finished goods	555,628	559,549	(205,643)	(202,621)	349,985	356,928
Total	574,538	580,226	(206,025)	(203,054)	368,513	377,172



(Unit: Thousand Baht)

## Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories-net	
	2015	2014	2015	2014	2015	2014
Raw materials	10,806	11,662	-	-	10,806	11,662
Work in process	6,362	9,015	(382)	(433)	5,980	8,582
Finished goods	554,624	558,485	(205,543)	(202,521)	349,081	355,964
Total	571,792	579,162	(205,925)	(202,954)	365,867	376,208

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 19 million (2014: Baht 32 million) (The Company only: Baht 19 million and 2014: Baht 32 million), to reflect the net realisable value. This was included in administrative expenses. In addition, the Company reversed the write-down of cost of inventories by Baht 16 million (2014: Baht 6 million) (The Company only: Baht 16 million and 2014: Baht 6 million), and reduced the amount of inventories recognised as expenses during the year.

**12. Other current assets**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Supplies	14,512	15,677	13,892	15,055
Prepaid expenses	14,673	13,685	13,594	14,149
Other current assets	11,843	5,557	11,632	5,386
Total	41,028	34,919	39,118	34,590

**13. Restricted bank deposits and other investments**

(Unit: Thousand Baht)

	Consolidated/Separated financial statements		Interest rate (% p.a.)
	2015	2014	
Fixed deposits with 12 months maturity	8,000	8,000	2.30 - 3.50
Government bonds with 7 years maturity	5,355	5,310	3.625
Total	13,355	13,310	

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 33.2.





## 14. Investments in subsidiaries

14.1 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)						
SE-ED Book Center Co., Ltd.	1,000	1,000	99.99	99.99	1,000	1,000	(177)	(165)	823	835
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	(13,845)	(13,833)	70,305	70,317

14.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)	(%)						
Plearn Patt Co., Ltd.	51.03	51.03	70.6	65.3	5.3	4.6	-	-

14.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Plearn Patt Co., Ltd.	
	As at 31 December	
	2015	2014
Current assets	83.1	70.2
Non-current assets	215.9	229.6
Current liabilities	68.8	62.5
Non-current liabilities	86.2	103.6



## Summarised information about comprehensive income

(Unit: Million Baht)

Plearn Patt Co., Ltd.		
For the year ended		
31 December		
	2015	2014
Revenue	165.3	157.5
Profit	10.4	8.4
Other comprehensive income	(0.1)	(0.4)
Total comprehensive income	10.3	8.0

## Summarised information about cash flow

(Unit: Million Baht)

Plearn Patt Co., Ltd.		
For the year ended		
31 December		
	2015	2014
Cash flow from operating activities	25.8	28.1
Cash flow from investing activities	25.3	(66.0)
Cash flow from financing activities	(9.9)	8.5
Net increase (decrease) in cash and cash equivalents	41.2	(29.4)

## 15. Investments in associate

### 15.1 Details of associate:

(Unit: Thousand Baht)

Consolidated financial statements								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2015	2014	2015	2014	2015	2014
			(%)	(%)				
M and E Co., Ltd.	Painting office production of technical magazines and engineering manuals	Thailand	25	25	100	100	25,651	25,937
					100	100	25,651	25,937



(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	
			2015	2014	2015	2014	2015	2014
			(%)	(%)				
M and E Co., Ltd.	Printing 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>

## 15.2 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	
	2015	2014	2015	2014
M and E Co., Ltd.	1,714	2,252	2,000	2,000
	<u>1,714</u>	<u>2,252</u>	<u>2,000</u>	<u>2,000</u>

## 15.3 Summarised financial information of associate

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the year ended		Profit for the year ended	
	31 December		31 December		31 December		31 December		31 December	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
M and E Co., Ltd.	0.4	0.4	106.7	106.7	5.2	5.4	24.3	28.8	6.9	9.0



## 16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Revaluation basis			Cost basis				
	Land and land improvement	Buildings and building improvement	Land improvement	Building and building decorations	Office equipment and air conditioners	Motor vehicles	Assets under installation	Total
Cost / Revalued amount:								
1 January 2014	509,948	259,208	-	490,387	772,209	45,239	505,639	2,582,630
Additions	-	540	48	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)	-	1,858	43,447	393,137	155,620	-	(594,062)	-
31 December 2014	509,948	261,606	43,495	860,630	893,045	45,239	7,086	2,621,049
Additions	-	997	-	8,117	28,036	2,033	14,134	53,317
Disposals	-	-	-	(5,565)	(19,312)	-	-	(24,877)
Written off	-	-	-	(20,996)	(3,182)	-	-	(24,178)
Adjust	-	-	-	-	-	-	(5,940)	(5,940)
Transfer in (out)	-	25	-	14,182	403	-	(14,610)	-
31 December 2015	509,948	262,628	43,495	856,368	898,990	47,272	670	2,619,371
Accumulated depreciation:								
1 January 2014	12,747	64,905	-	343,893	513,594	34,652	-	969,791
Depreciation for the year	1,373	9,852	669	47,104	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	14,120	74,757	669	370,333	516,367	36,228	-	1,012,474
Depreciation for the year	1,374	9,716	847	43,408	65,140	1,660	-	122,145
Depreciation on disposals	-	-	-	(5,527)	(19,264)	-	-	(24,791)
Depreciation on written off	-	-	-	(18,687)	(2,704)	-	-	(21,391)
31 December 2015	15,494	84,473	1,516	389,527	559,539	37,888	-	1,088,437
Allowance for impairment:								
1 January 2014	-	-	-	-	-	-	-	-
Increase during the year	-	-	-	2,427	-	-	-	2,427
31 December 2014	-	-	-	2,427	-	-	-	2,427
Increase during the year	-	-	-	1,825	-	-	-	1,825
Reversal	-	-	-	(2,543)	-	-	-	(2,543)
31 December 2015	-	-	-	1,709	-	-	-	1,709
Net book value:								
31 December 2014	495,828	186,849	42,826	487,870	376,678	9,011	7,086	1,606,148
31 December 2015	494,454	178,155	41,979	465,132	339,451	9,384	670	1,529,225
Depreciation for the year								
2014 (Baht 14.78 million included in cost of services, and the balance in selling and administrative expenses)								127,627
2015 (Baht 14.57 million included in cost of services, and the balance in selling and administrative expenses)								122,145





	Separate financial statements						
	Revaluation basis			Cost basis			
	Land and land improvement	Buildings and building improvement	Land improvement	Building and building decorations	Office equipment and air conditioners	Motor vehicles	Assets under installation
<b>Cost / Revalued amount:</b>							<b>Total</b>
1 January 2014	470,658	12,354	-	490,386	713,443	43,695	506,879
Additions	-	-	-	7,294	26,757	-	93,848
Disposals	-	-	-	(1,960)	(32,853)	-	-
Written off	-	-	-	(28,228)	(32,171)	-	(359)
Transfer in (out)	-	-	43,447	393,137	155,145	-	(591,729)
31 December 2014	470,658	12,354	43,447	860,629	830,321	43,695	8,639
Additions	-	-	-	8,122	25,799	885	14,059
Disposals	-	-	-	(5,565)	(18,911)	-	-
Written off	-	-	-	(20,996)	(3,182)	-	-
Adjust	-	-	-	-	-	-	(5,940)
Transfer in (out)	-	-	-	14,177	374	-	(14,551)
31 December 2015	470,658	12,354	43,447	856,367	834,401	44,580	2,207
<b>Accumulated depreciation:</b>							
1 January 2014	658	2,687	-	343,892	477,746	33,109	-
Depreciation for the year	-	333	669	47,104	59,836	1,576	-
Depreciation on disposals	-	-	-	(907)	(32,767)	-	-
Depreciation on written off	-	-	-	(19,757)	(31,357)	-	-
31 December 2014	658	3,020	669	370,332	473,458	34,685	-
Depreciation for the year	-	333	847	43,408	58,304	1,618	-
Depreciation on disposals	-	-	-	(5,527)	(18,872)	-	-
Depreciation on written off	-	-	-	(18,687)	(2,704)	-	-
31 December 2015	658	3,353	1,516	389,526	510,186	36,303	-
<b>Allowance for impairment:</b>							
1 January 2014	-	-	-	-	-	-	-
Increase during the year	-	-	-	2,427	-	-	-
31 December 2014	-	-	-	2,427	-	-	-
Increase during the year	-	-	-	1,825	-	-	-
Reversal	-	-	-	(2,543)	-	-	-
31 December 2015	-	-	-	1,709	-	-	-
<b>Net book value:</b>							
31 December 2014	470,000	9,334	42,778	487,870	356,863	9,010	8,639
31 December 2015	470,000	9,001	41,931	465,132	324,215	8,277	2,207
<b>Depreciation for the year</b>							
2014 (Included in selling and administrative expenses)							109,518
2015 (Included in selling and administrative expenses)							104,510

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.

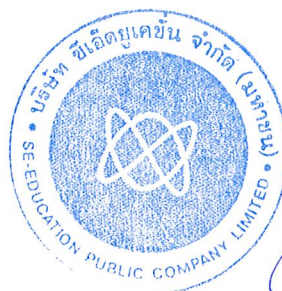
Key assumptions used in the valuation are summarized below:

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Buildings - price per square metre (Baht)	800 - 12,000	5,551	Increase in fair value
Land - price per square wah (Baht)	18,000 - 120,000	18,000 - 120,000	Increase in fair value
Leasehold right on land - price per square wah (Baht)	4,100	-	Increase in fair value

Had the land and buildings been carried in the financial statements based on historical cost, their net book values as of 31 December 2015 and 2014 would have been as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Land and land improvement	349,273	350,646	324,770	324,770
Buildings and building improvement	163,131	171,424	-	-

As at 31 December 2015, certain plant and equipment were 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 658.0 million (2014: Baht 712.7 million) (the Company only: Baht 628.1 million, 2014: Baht 687.2 million).



## 17. Leasehold rights 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 2015, the subsidiary amortised leasehold rights as expense totalling Baht 0.33 million (2014: Baht 0.33 million).

## 18. Leasehold rights 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 2015, the Company amortised leasehold rights as expenses totalling Baht 11.3 million (2014: Baht 12.8 million).

## 19. Intangible assets

The net book value of intangible assets as at 31 December 2015 and 2014 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	Computer software	Computer software
As at 31 December 2015:		
Cost	48,025	48,060
Less: Accumulated amortisation	(40,867)	(40,527)
Net book value	7,158	7,533



	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	Computer software	Computer software
As at 31 December 2014:		
Cost	47,980	48,015
Less: Accumulated amortisation	(38,839)	(38,478)
Net book value	9,141	9,537

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 are presented below.

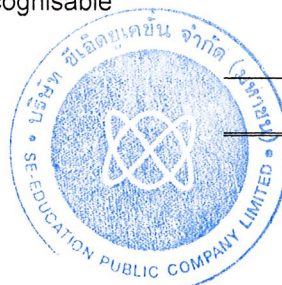
	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	9,141	7,980	9,537	7,843
Acquisition of computer software	45	3,317	45	3,853
Amortisation	(2,028)	(2,156)	(2,049)	(2,159)
Net book value at end of year	7,158	9,141	7,533	9,537

## 20. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Long-term prepaid expenses	6,805	2,022	6,805	2,022
Others	76	45	-	-
Total	6,881	2,067	6,805	2,022

## 21. Income received in advance / income from tuition fees

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2015	2014
Income received in advance - not yet recognised	45,493	46,782
Less: Income received in advance recognisable		
within one year	(43,561)	(42,627)
Net	1,932	4,155





During the year ended 31 December 2015 and 2014, movements of income received in advance are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	The initial entrance fee	Education supporting fee	Total
Balance as at 1 January 2014	4,780	44,027	48,807
Add: 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
Add: Increase during the year	10,414	142,324	152,738
Less: Income recognition during the year	(9,947)	(143,285)	(153,232)
Less: Returned due to resignation of students	-	(795)	(795)
Balance as at 31 December 2015	5,220	40,273	45,493

## 22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts payable - related parties	3,185	3,451	3,185	3,451
Trade accounts payable - unrelated parties	853,793	943,379	853,492	942,792
Accrued expenses	71,491	78,973	64,792	70,837
Other payables for purchase of fixed assets	979	11,472	656	11,296
Notes payable	4,581	6,442	4,581	6,442
Other payables	34,832	45,558	34,823	45,545
Total	968,861	1,089,275	961,529	1,080,363



## 23. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Coupon payable	16,829	21,627	16,829	21,627
Accrued withholding tax	2,384	2,603	2,080	2,270
Unearned income	2,644	2,693	2,173	2,481
Retention for construction	-	6,442	-	6,442
Others	3,691	2,746	2,718	2,233
Total	25,548	36,111	23,800	35,053

## 24. Long-term loans

(Unit: Thousand Baht)						
Loan	Interest rate (%)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2015	2014	2015	2014
1	THBFIX + 1.74	Monthly installment as from 31 July 2014 with the last installment in 30 June 2021	196,360	232,120	196,360	232,120
2	MLR-1.5	Monthly installment as from 30 November 2014 with the last installment in 31 October 2021	208,280	244,040	208,280	244,040
3	6.00 - 7.50	Settlement at maturity date of the contracts	95,170	105,080	-	-
Total			499,810	581,240	404,640	476,160
Less: Current portion			(87,920)	(81,430)	(71,520)	(71,520)
Long-term loans, net of current portion			411,890	499,810	333,120	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.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Balance - beginning of year	128,524	130,330	123,651	123,918
Less: Income tax effect	-	(1,218)	-	-
Less: Amortisation	(522)	(588)	(267)	(267)
Balance - end of year	128,002	128,524	123,384	123,651

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:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Salary and wages and other employee benefits	704,213	744,228	611,363	654,747
Depreciation and amortisation	135,812	142,930	117,864	124,490
Rental, service and utilities expenses	454,467	501,776	448,755	496,376
Provision for diminution in value of receivables and inventories	12,609	45,440	12,345	45,490
Purchase of goods and raw materials used	2,733,199	2,960,521	2,706,123	2,934,466
Changes in inventories of finished goods and work in process	6,514	(34,846)	6,514	(37,183)
Variable expense based on sale volume	101,334	117,191	101,334	117,191





## 28. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	2015	2014	2015	2014
		(Restated)		(Restated)
<b>Current income tax:</b>				
Current income tax charge	17,848	28,188	17,546	28,170
Adjustment in respect of income tax of previous year	416	(322)	369	(322)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,637)	(5,330)	(1,566)	(5,318)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>16,627</b>	<b>22,536</b>	<b>16,349</b>	<b>22,530</b>

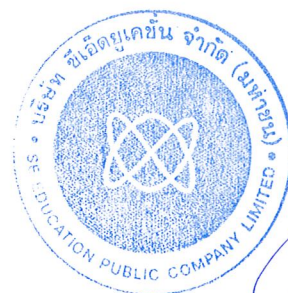
The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
Deferred tax on gain from the change in value of available-for-sale investments	(341)	(288)	(343)	(194)
Deferred tax on gain from revaluation of land and buildings	-	(1,218)	-	-
Deferred tax on actuarial loss	77	1,342	77	1,342
	(264)	(164)	(266)	1,148



Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2015 and 2014 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
Accounting profit before tax	93,139	113,433	79,899	106,310
Applicable tax rate	0%, 15%, 20%	0%, 15%, 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	18,579	22,664	15,980	21,262
Adjustment in respect of income tax of previous year	416	(322)	369	(322)
Effects of:				
Income not subject to tax	(1,959)	(1,832)	(400)	(400)
Non-deductible expenses	1,774	4,049	2,113	3,709
Additional expense deductions allowed	(1,712)	(1,738)	(1,712)	(1,719)
Share of profit from investment in associate	(343)	(450)	-	-
Others	(128)	165	(1)	-
Total	(1,952)	(128)	369	1,268
Income tax expenses reported in the statement of comprehensive income	16,627	22,536	16,349	22,530



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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statement		financial statement	
	2015	2014	2015	2014
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	3,109	2,539	3,109	2,539
Allowance for diminution in value of inventories	40,304	39,587	40,304	39,587
Allowance for asset impairment	342	485	342	485
Provision for long-term employee benefits	8,560	8,119	8,541	8,108
<b>Total</b>	<b>52,315</b>	<b>50,730</b>	<b>52,296</b>	<b>50,719</b>
<b>Deferred tax liabilities</b>				
Gain on re-measuring available- for-sale investments	629	288	538	194
Unrealised gain from revaluation of land and buildings	32,000	32,130	30,846	30,912
<b>Total</b>	<b>32,629</b>	<b>32,418</b>	<b>31,384</b>	<b>31,106</b>
<b>Deferred tax assets - net</b>	<b>19,686</b>	<b>18,312</b>	<b>20,912</b>	<b>19,613</b>

As at 31 December 2015, the Company and its subsidiaries have deductible temporary totalling Baht 4.6 million (2014: Baht 5.0 million), on which deferred tax assets have not been recognised.

## 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	
2015	2014	2015	2014	2015	2014
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
	(Restated)				(Restated)
<b>Basic earnings per share</b>					
Profit attributable to equity holders					
of the Company					
70,876	86,400	391,944	391,944	0.18	0.22
Separate financial statements					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
2015	2014	2015	2014	2015	2014
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
	(Restated)				(Restated)
<b>Basic earnings per share</b>					
Profit attributable to equity holders					
of the Company					
63,550	83,779	391,944	391,944	0.16	0.21

### 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.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured 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 2015 and 2014, respectively.

(Unit: Thousand Baht)

Year ended 31 December 2015	Retail business	Other distribution channels	Institution of private education business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	3,449,041	890,840	156,657	4,496,538	-	4,496,538
Inter-segment revenue	-	4,190	-	4,190	(4,190)	-
Gain (loss) on sales of assets	131	-	(2)	129	-	129
Depreciation and amortisation	(77,028)	(28,916)	(18,229)	(124,173)	-	(124,173)
Loss on written-off assets	(2,787)	-	-	(2,787)	-	(2,787)
<b>Segment profit from operations</b>	<b>8,735</b>	<b>80,088</b>	<b>30,032</b>	<b>118,855</b>	<b>-</b>	<b>118,855</b>
Share of profit from investment in associate						1,714
Interest and dividend revenues						914
Interest expenses						(28,344)
<b>Profit before income tax expenses</b>						<b>93,139</b>
Income tax expenses						(16,627)
<b>Profit for the year</b>						<b>76,512</b>

(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)
<b>Segment profit from operations</b>	<b>14,849</b>	<b>98,094</b>	<b>16,019</b>	<b>128,962</b>	<b>-</b>	<b>128,962</b>
Share of profit from investment in associate						2,252
Interest and dividend revenues						1,221
Interest expenses						(19,002)
<b>Profit before income tax expenses</b>						<b>113,433</b>
Income tax expenses						(22,536)
<b>Profit for the year</b>						<b>90,897</b>

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 years 2015 and 2014, the Company and its subsidiaries have no major customer with revenue of 10% or more of an entity's revenues.

## **31. Post-employment benefits for employees**

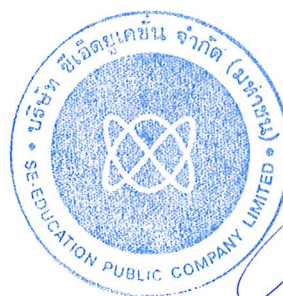
### **31.1 Provident fund**

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 2015, the Company contributed Baht 16.1 million (2014: Baht 15.9 million) to the fund.

### **31.2 Provision for long-term employee benefits**

Provision for long-term employee benefits as at 31 December 2015 and 2014 were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Provision for compensation on employees' retirement	34,191	29,746	29,890	26,751
Provision for long service awards	12,935	13,861	12,819	13,791
Total	<u>47,126</u>	<u>43,607</u>	<u>42,709</u>	<u>40,542</u>





Provision for long-term employee benefits, which represents compensation payable to employees after they retire and other long-term employee benefits, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		(Restated)
<b>Provision for long-term employee benefits at beginning of year</b>	43,607	45,912	40,542	43,728
Included in profit or loss:				
Current service cost	6,798	4,243	5,321	2,964
Interest cost	1,665	1,820	1,540	1,727
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(2,162)	(549)	(2,636)	(463)
Financial assumptions changes	119	94	119	156
Experience adjustments	1,714	6,676	2,132	7,019
Benefits paid during the year	(4,615)	(14,589)	(4,309)	(14,589)
<b>Provision for long-term employee benefits at end of year</b>	<u>47,126</u>	<u>43,607</u>	<u>42,709</u>	<u>40,542</u>

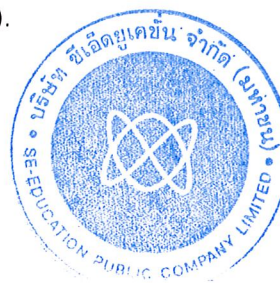
Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		(Restated)
Cost of sales	3,234	1,320	2,481	785
Selling and administrative expenses	5,229	4,743	4,380	3,906
<b>Total expenses recognised in profit or loss</b>	<u>8,463</u>	<u>6,063</u>	<u>6,861</u>	<u>4,691</u>

The Company and its subsidiaries expect to pay Baht 3.6 million of long-term employee benefits during the next year (Separate financial statements: Baht 3.6 million) (2014: Baht 4.3 million, separate financial statements: Baht 4.3 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 28 years (Separate financial statements: 24 years) (2014: 28 years, separate financial statements: 25 years).



Significant actuarial assumptions are summarised below:

	(Unit: % p.a.)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Discount rate	3.8 - 4.3	3.9 - 4.2	3.8	4.1
Future salary increase rate (depending on age)	5.0	5.0	5.0	5.0
Staff turnover rate*	8.0 - 51.9	16.1 - 67.3	8.0 - 51.9	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.

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3.2)	3.6	(2.9)	3.3
Salary increase rate	3.1	(2.8)	2.8	(2.5)
Turnover rate	(1.2)	1.2	(1.1)	1.2

## 32. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
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		70.55	0.18
Dividend from the operating results of the year 2014	Annual General Meeting of the shareholders on 23 April 2015	70.55	0.18
Total dividend paid during the year ended 31 December 2015		70.55	0.18



### 33. Commitments and contingent liabilities

#### 33.1 Operating lease commitments

- a) As 31 December 2015, the Company has also entered into space rental agreements for use as branch offices, totaling 395 branches (2014: 397 branches.) The lease periods ranged from 1 to 12 years and 9 months. For the year ended 31 December 2015, the total rental and utility fees were approximately Baht 422.9 million. (2014: Baht 466.5 million) Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- b) The Company and its subsidiaries has entered into several lease agreements in respect of the lease of office building space, land, warehouses and motor vehicles. 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)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Outstanding commitments:</u>				
Less than 1 year	7.6	24.8	6.4	23.7
1 to 5 years	27.6	31.9	22.6	26.9
More than 5 years	25.2	31.8	3.5	8.7

During the year ended 31 December 2015, the Company recognised rental expenses in the income statement of Baht 16.9 million. (2014: Baht 22.1 million)

#### 33.2 Guarantees

As at 31 December 2015, there were outstanding bank guarantee of approximately Baht 5.4 million (2014: Baht 4.9 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 (2014: Baht 1.9 million) were pledged to guarantee the electricity usage and rental of head office.

#### 33.3 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. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated Financial Statements				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	-	189.3	-	189.3
Property plant and equipment	-	-	672.6	672.6

(Unit: Million Baht)

Separate Financial Statements				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	-	157.2	-	157.2
Property plant and equipment	-	-	479.0	479.0

### 35. Financial instruments

#### 35.1 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 2015							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial Assets</b>							
Cash and cash equivalent	105	-	-	-	27	132	0.10 - 3.625
Current investments	-	-	-	-	189	189	-
Trade and other receivables	-	-	-	-	70	70	-
Restricted bank deposits	-	13	-	-	-	13	2.30 - 3.625
	105	13	-	-	286	404	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	969	969	-
Long-term loans	16	79	-	405	-	500	4.84 - 7.50
	16	79	-	405	969	1,469	



(Unit: Million Baht)

## Consolidate 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	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	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,089	1,089	-
Long-term loans	10	95	-	476	-	581	5.16 - 7.50
	10	95	-	476	1,089	1,670	

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2015

	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	60	-	-	-	27	87	0.10 - 3.625
Current investments	-	-	-	-	157	157	-
Trade and other receivables	-	-	-	-	66	66	-
Restricted bank deposits	-	13	-	-	-	13	2.30 - 3.625
	60	13	-	-	250	323	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	962	962	-
Long-term loans	-	-	-	405	-	405	4.84 - 5.25
	-	-	-	405	962	1,367	





(Unit: Million Baht)

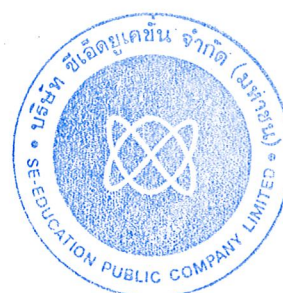
Separate financial statements							
As at 31 December 2014							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
<u>Financial Assets</u>							
Cash and cash equivalent	70	-	-	-	28	98	0.125 - 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	

**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	
	2015	2014	2015	2014	2015	2014
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
USD	-	-	89	14	36.2538	33.1132
SGD	-	3	68	-	25.7905	25.1274
GBP	-	-	853	892	53.9343	51.5035



Foreign exchange contracts outstanding are summarised below.

As at 31 December 2015

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
GBP	0.4	-	53.91 - 54.65	-	January - April 2016
USD	0.1	-	36.15	-	January 2016

As at 31 December 2014

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

### 35.2 Fair values of financial instruments

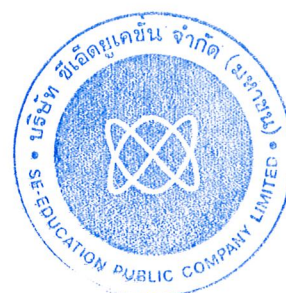
Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

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.

### 36. 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 2015 was 1.61:1 (2014: 1.84:1), and the Company only was 1.61:1 (2014: 1.84:1).



**37. Event after the reporting period**

The meeting of the Company's Board of Directors held on 26 February 2016 passed a resolution to pay dividends to the Company's shareholders from the operations for the year 2015. The Company will pay a cash dividend at Baht 0.12 per share, or equivalent to amount of not exceed Baht 47.03 million. Dividend will be paid and accounted for after the approval of the Annual General Meeting of the Company's shareholders.

**38. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2016.

