

ARIP Public Company Limited
Report and financial statements
31 December 2015



Building a better
working world

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Independent Auditor's Report

To the Shareholders of ARIP Public Company Limited

I have audited the accompanying financial statements of ARIP Public Company Limited, which comprise the statement of financial position as at 31 December 2015, and the related statements of 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ARIP Public Company Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to read 'C. Suppasdtanon'.

Chayapol Suppasdtanon

Certified Public Accountant (Thailand) No. 3972

EY Office Limited

Bangkok: 23 February 2016

ARIP Public Company Limited
Statement of financial position
As at 31 December 2015

		(Unit: Baht)	
	Note	2015	2014
Assets			
Current assets			
Cash and cash equivalents	7	53,384,055	39,720,824
Current investments	8	217,226	58,432,873
Trade and other receivables	6,9	70,379,897	47,726,090
Inventories	10	1,101,601	535,040
Deferred service costs		7,387,907	-
Other current assets		2,119,683	3,368,697
Total current assets		134,590,369	149,783,524
Non-current assets			
Restricted bank deposit	11	9,350,000	1,000,000
Property, building and equipment	12	66,417,849	77,522,274
Intangible asset	13	12,351,058	3,076,792
Withholding tax deducted at source	14	9,667,355	9,967,452
Deposits		41,200	46,015
Deferred tax assets	19	6,199,526	4,712,418
Total non-current assets		104,026,988	96,324,951
Total assets		238,617,357	246,108,475

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

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บริษัท อริป จำกัด (มหาชน)
ARIP Public Company Limited


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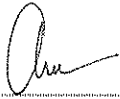
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ARIP Public Company Limited
Statement of financial position (continued)
As at 31 December 2015

			(Unit: Baht)
	Note	2015	2014
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	6,15	24,565,151	27,320,399
Other current liabilities		8,729,819	6,158,726
Total current liabilities		33,294,970	33,479,125
Non-current liabilities			
Reserve for long-term employee benefits	16	9,159,263	6,607,743
Total non-current liabilities		9,159,263	6,607,743
Total liabilities		42,454,233	40,086,868
Shareholders' equity			
Share capital			
Registered			
466,000,000 ordinary shares of Baht 0.25 each		116,500,000	116,500,000
Issued and fully paid			
466,000,000 ordinary shares of Baht 0.25 each		116,500,000	116,500,000
Share premium		83,464,677	83,464,677
Retained earnings (deficit)			
Appropriated - statutory reserve	17	11,650,000	11,650,000
Deficit		(15,888,351)	(6,029,868)
Other components of shareholders' equity		436,798	436,798
Total shareholders' equity		196,163,124	206,021,607
Total liabilities and shareholders' equity		238,617,357	246,108,475



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





Directors


บริษัท อริป จำกัด (มหาชน)
ARIP Public Company Limited

ARIP Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2015

			(Unit: Baht)
	Note	2015	2014
Revenues			
Service income		316,766,157	263,755,132
Sales		7,905,795	11,309,950
Interest income		504,356	1,116,938
Other income		780,474	511,893
Total revenues		325,956,782	276,693,913
Expenses			
Cost of sales and services		280,621,612	233,629,374
Selling expenses		2,300,815	2,503,161
Administrative expenses		54,286,928	57,354,452
Total expenses		337,209,355	293,486,987
Loss before finance cost and income tax		(11,252,573)	(16,793,074)
Finance cost		(93,018)	(97,813)
Loss before income tax		(11,345,591)	(16,890,887)
Income tax benefit	19	1,487,108	3,143,207
Loss for the year		(9,858,483)	(13,747,680)
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive income for the year		(9,858,483)	(13,747,680)
Earnings per share			
Basic loss per share	21		
Loss for the year		(0.021)	(0.030)

The accompanying notes are an integral part of the financial statement

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ARIP Public Company Limited

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ARIP Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2015

(Unit: Baht)

	Issued and fully paid capital	Share premium	Retained earnings (deficit)		Other comprehensive income Actuarial gains	Total
			Appropriated - statutory reserve	Unappropriated (deficit)		
Balance as at 1 January 2014	116,500,000	83,464,677	11,650,000	19,367,812	436,798	231,419,287
Dividends paid (Note 24)	-	-	-	(11,650,000)	-	(11,650,000)
Total comprehensive income for the year	-	-	-	(13,747,680)	-	(13,747,680)
Balance as at 31 December 2014	<u>116,500,000</u>	<u>83,464,677</u>	<u>11,650,000</u>	<u>(6,029,868)</u>	<u>436,798</u>	<u>206,021,607</u>
Balance as at 1 January 2015	116,500,000	83,464,677	11,650,000	(6,029,868)	436,798	206,021,607
Total comprehensive income for the year	-	-	-	(9,858,483)	-	(9,858,483)
Balance as at 31 December 2015	<u>116,500,000</u>	<u>83,464,677</u>	<u>11,650,000</u>	<u>(15,888,351)</u>	<u>436,798</u>	<u>196,163,124</u>

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

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บริษัท อริป จำกัด (มหาชน)
ARIP Public Company Limited

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ARIP Public Company Limited

Cash flows statement

For the year ended 31 December 2015

	(Unit: Baht)	
	2015	2014
Cash flows from operating activities		
Loss before tax	(11,345,591)	(16,890,887)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	16,254,406	8,724,615
Doubtful accounts (reversal)	568,615	(869,015)
Diminution in inventories to net realisable value	276,478	275,473
Gain on sale of equipment	(256)	(420,127)
Loss on intangible assets written off	50	-
Long-term employee benefits expense	2,551,520	2,408,973
Interest income	(504,356)	(1,116,938)
Profit (loss) from operating activities before changes in operating assets and liabilities	7,800,866	(7,887,906)
Operating assets (increase) decrease		
Trade and other receivables	(23,330,828)	85,608,409
Inventories	(843,039)	156,214
Deferred service costs	(7,387,907)	-
Other current assets	1,249,014	8,798,937
Other assets	19,924	241,238
Operating liabilities increase (decrease)		
Trade and other payables	(2,755,248)	(29,603,122)
Other liabilities	2,571,093	(6,243,683)
Reserve for long-term employee benefits	-	(995,496)
Cash flows from (used in) operating activities	(22,676,125)	50,074,591
Cash receive from withholding tax refundable	4,512,556	-
Cash paid for income tax	(4,227,568)	(5,542,237)
Net cash flows from (used in) operating activities	(22,391,137)	44,532,354

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

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บริษัท อริป จำกัด (มหาชน)
ARIP Public Company Limited

Signature

Signature

ARIP Public Company Limited
Cash flows statement (continued)
For the year ended 31 December 2015

	(Unit: Baht)	
	2015	2014
Cash flows from investing activities		
Decrease (increase) in current investments	58,215,647	(58,432,873)
Decrease (increase) in restricted bank deposit	(8,350,000)	10,346,293
Acquisitions of equipment	(1,927,219)	(4,089,340)
Acquisitions of intangible assets	(12,510,888)	(358,391)
Proceeds from sales of equipment	14,066	457,393
Interest income	612,762	1,069,305
Net cash flows from (used in) investing activities	36,054,368	(51,007,613)
Cash flows from financing activities		
Dividends paid	-	(11,650,000)
Net cash flows used in financing activities	-	(11,650,000)
Net increase (decrease) in cash and cash equivalents	13,663,231	(18,125,259)
Cash and cash equivalents at beginning of the year	39,720,824	57,846,083
Cash and cash equivalents at end of the year (Note 7)	53,384,055	39,720,824

Supplemental cash flows information

Non-cash transactions

Transfer inventories to equipment	-	24,299,065
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The accompanying notes are an integral part of the financial statements.

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ARIP Public Company Limited

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ARIP Public Company Limited
Notes to financial statements
For the year ended 31 December 2015

1. General information

ARIP Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the management of events and marketing activities, the production and distribution of IT-related publications, and the placement of advertisements. The registered office of the Company is at 99/16-20 Ratchadapisek Road, Din Daeng, Bangkok.

2. Basis of preparation

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

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

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

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 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 financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former 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.

This revised standard does not have any impact on the financial statements as the Company already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This 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 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 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. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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.

Magazine subscription income

Magazine subscription income is recognised based on straight-line basis over the subscription period.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Advertising service income is recognised when the service has been rendered. The service is generally considered to be rendered when the advertisement is issued.

Arrangement of exhibitions and seminar is recognised when the event has occurred.

Rental income

Rental income of equipment is recognised at the amount stipulated under the lease agreement, on straight-line basis over the lease period.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

Trade accounts receivable 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 experiences and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of average cost and net realisable value.

4.5 Property, building and equipment / depreciation

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

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

Building	-	20 years
Building improvements	-	5, 10 years
Computer equipment	-	3, 5 years
Office equipment and furniture	-	5 years
Tools and equipment	-	3 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.6 Intangible assets/amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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 assets may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The useful life of computer software is 3 and 5 years.

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

4.8 Long-term leases

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

4.9 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

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

Gains and losses on exchange are included in determining income.

4.10 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of property, building 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.11 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

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

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary 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.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment as an expense on a straight-line basis over up to five years from the date of adoption.

4.12 Provisions

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

4.13 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 rate enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 reviews and reduces 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 records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgments and estimates

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

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have 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 judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Property, building and equipment/Depreciation

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

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

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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

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

6. Related party transactions

The relationships between the Company and related parties are summarised below.

Name	Relationship
Advanced Research Group Co.,Ltd.	Common shareholders/Common directors
Business Online Public Company Limited	Common shareholders/Common directors
SVOA Public Company Limited	Common shareholders/Common directors
Core and Peak Co.,Ltd	Common shareholders/Common directors
D2 Systems Co.,Ltd	Common shareholders/Common directors
Anet Co.,Ltd	Common shareholders/Common directors
A.R. Accounting Consultant Co.,Ltd	Common shareholders/Common directors
ARIT Co.,Ltd	Common shareholders/Common directors
D & B (Thailand) Co.,Ltd.	Common shareholders/Common directors
Abiks Development Co., Ltd.	Common shareholders/Common directors
Lease It Public Company Limited	Common shareholders/Common directors
Dataone Asia (Thailand) Co.,Ltd	Common shareholders/Common directors

Name	Relationship
National Credit Bureau Co., Ltd.	Common directors
SPVI Public Company Limited	Common directors
IT City Public Company Limited	Common directors
Thai Beverage Public Company Limited	Common directors
Bangkok Union Insurance Public Company Limited	Common directors
Siam Steel International Public Company Limited	Common directors
Kang Yong Electric Public Company Limited	Common directors
Jubilee Enterprise Public Company Limited	Common directors
Kepple Communication Pte. Ltd.	Parent company of a major shareholder

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

(Unit: Million Baht)

	2015	2014	Pricing policy
<u>Transactions with related parties</u>			
Revenue			
Sales of goods	2	2	Cost plus margin
Advertising income	7	8	Market price
Revenue from management of event	14	8	Market price
Other service income	2	2	Cost plus margin
Expenses			
Purchases of goods	2	1	Market price
Advertising and marketing expenses	4	11	Cost plus margin
Internet fee	1	1	Market price
Management fee	2	3	Agreed upon basis
Service fee for accounting software	1	1	Agreed upon basis
Other service fee	2	3	Cost plus margin

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

	(Unit: Thousand Baht)	
	2015	2014
<u>Trade and other receivables - related parties (Note 9)</u>		
Related companies (related by common shareholders and directors)	6,969	8,048
<u>Trade and other payables - related parties (Note 15)</u>		
Related companies (related by common shareholders and directors)	2,925	5,986

Directors and management's benefits

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

	(Unit: Thousand Baht)	
	2015	2014
Short-term employee benefits	14,642	18,020
Post-employment benefits	677	665
Total	15,319	18,685

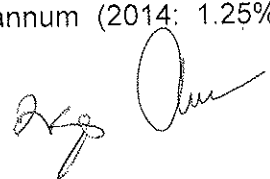
7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2015	2014
Cash	135	151
Bank deposits	53,249	39,570
Total	53,384	39,721

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests between 0.13% and 1.25% per annum (2014: between 0.38% and 1.15% per annum).

8. Current investment

As at 31 December 2015, the Company had invested in fixed deposit with a maturity of more than 3 months totalling Baht 0.2 million (2014: Baht 58 million). The fixed deposit carried interest at rates of 0.90% - 2.50% per annum (2014: 1.25% - 2.50% per annum).



9. Trade and other receivables

(Unit: Thousand Baht).

	2015	2014
Trade receivables - related parties (Note 6)		
Aged on the basis of due dates		
Not yet due	5,418	6,052
Past due		
Up to 3 months	53	923
3 - 6 months	-	462
Total trade receivables - related parties	5,471	7,437
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	19,218	13,268
Past due		
Up to 3 months	29,829	9,262
6 - 12 months	838	-
Over 12 months	923	-
Total	50,808	22,530
Less: Allowance for doubtful debts	(684)	(115)
Total trade receivables - unrelated parties, net	50,124	22,415
Total trade receivables - net	55,595	29,852
Other receivables		
Accrued income - related party (Note 6)	1,498	611
Accrued income - unrelated parties	3,357	10,646
Retention receivables	7,749	6,335
Advance payments	33	282
Others	2,148	-
Total other receivables	14,785	17,874
Trade and other receivables - net	70,380	47,726



บริษัท อริป จำกัด (มหาชน)
ARIP Public Company Limited

10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	3,290	2,292	(2,219)	(1,943)	1,071	349
Work in process	31	186	-	-	31	186
Total	3,321	2,478	(2,219)	(1,943)	1,102	535

During the current year, the company reduced cost of inventories by Baht 0.4 million (2014: Baht 0.5 million), to reflect the net realisable value. In addition, the Company reversed the write-down of cost of inventories by Baht 0.1 million (2014: Baht 0.2 million), and reduced the amount of inventories recognised as expenses during the year.

11. Restricted bank deposits

These represent 12 months fixed deposit of Baht 6 million pledged with a bank to secure bank overdrafts facility of Baht 5 million, and bank guarantee facility Baht 20 million, 6 months fixed deposit of Baht 1 million and savings deposits of Baht 2 million pledged with the banks to secure the issuance of bank guarantee granted by the bank to the Company (2014: 6 months fixed deposit of Baht 1 million pledged with the banks to secure the issuance of bank guarantee granted by bank to the Company).

12. Property, building and equipment

(Unit: Thousand Baht)

	Land	Building	Building improvements	Computer equipment	Furniture fixtures and office equipment	Tools and equipment	Motor vehicles	Total
Cost:								
1 January 2014	41,074	10,000	14,250	21,978	9,185	-	10,209	106,696
Additions	-	-	578	2,207	1,277	-	27	4,089
Disposals	-	-	-	(3,092)	(941)	-	(1,255)	(5,288)
Transfer in (out)	-	-	(18)	-	18	-	-	-
Transferred asset type	-	-	-	-	-	24,299	-	24,299
31 December 2014	41,074	10,000	14,810	21,093	9,539	24,299	8,981	129,796
Additions	-	-	-	1,594	333	-	-	1,927
Disposals	-	-	-	(819)	(453)	-	-	(1,272)
31 December 2015	41,074	10,000	14,810	21,868	9,419	24,299	8,981	130,451

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ARIP Public Company Limited

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(Unit: Thousand Baht)

	Land	Building	Building improvements	Computer equipment	Furniture fixtures and office equipment	Tools and equipment	Motor vehicles	Total
Accumulated depreciation:								
1 January 2014	-	6,918	12,780	17,407	6,199	-	8,021	51,325
Depreciation for the year	-	500	201	2,663	1,005	355	1,476	6,200
Depreciation on disposals	-	-	-	(3,090)	(906)	-	(1,255)	(5,251)
31 December 2014	-	7,418	12,981	16,980	6,298	355	8,242	52,274
Depreciation for the year	-	500	162	2,822	1,059	8,100	374	13,017
Depreciation on disposals	-	-	-	(813)	(445)	-	-	(1,258)
31 December 2015	-	7,918	13,143	18,989	6,912	8,455	8,616	64,033
Net book value:								
31 December 2014	41,074	2,582	1,829	4,113	3,241	23,944	739	77,522
31 December 2015	41,074	2,082	1,667	2,879	2,507	15,844	365	66,418
Depreciation for the year								
2014 (Baht 0.6 million included in service cost, and the balance in administrative expenses)								6,200
2015 (Baht 9.2 million included in service cost, and the balance in administrative expenses)								13,017

As at 31 December 2015, certain equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 40.8 million (2014: Baht 32.0 million).

On 16 December 2014, the Company entered into an operating lease agreement with a company to lease equipment for a period of one year. The minimum lease income arising from this agreement within one year was approximately Baht 8.5 million. In 2015, the Company recognised income of Baht 8.1 million (2014: Baht 0.4 million) from the lease of this equipment and presented as income in the statement of comprehensive income. On 22 January 2016, the Company has entered into agreements for sale of these equipment with two parties with a total price of Baht 16.0 million. As at 31 December 2015, the net book value of these equipment was Baht 15.8 million.

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13. Intangible assets

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

(Unit: Thousand Baht)

	Computer Software	Software under development	Total
Cost:			
1 January 2014	12,277	891	13,168
Additions	358	-	358
Transfer in (out)	891	(891)	-
31 December 2014	13,526	-	13,526
Additions	12,511	-	12,511
Write-off	(163)	-	(163)
31 December 2015	25,874	-	25,874
Accumulated amortisation:			
1 January 2014	7,925	-	7,925
Amortisation for the year	2,524	-	2,524
31 December 2014	10,449	-	10,449
Amortisation for the year	3,237	-	3,237
Write-off	(163)	-	(163)
31 December 2015	13,523	-	13,523
Net book value:			
31 December 2014	3,077	-	3,077
31 December 2015	12,351	-	12,351
Amortisation expense for the year			
2014			2,524
2015			3,237

As at 31 December 2015, certain computer software has been fully amortised but is still in use. The original cost of those assets amounted to approximately Baht 11.1 million (2014: Baht 6.0 million).

14. Withholding tax deducted at source

(Unit: Thousand Baht)

	2015	2014
Year 2011	-	4,527
Year 2014	5,440	5,440
Year 2015	4,227	-
Total	9,667	9,967

The Company has requested for a refund of the withholding tax deducted at source from the Revenue Department. However, its net realisable value is subject to the result of a tax audit by the Revenue officials. The management believes that the Company will receive the refund in full amount in the future.

On 23 December 2015, the Company received a refund of withholding tax deducted at source of the year 2011 of Baht 4.5 million from the Revenue Department.

15. Trade and other payables

(Unit: Thousand Baht)

	2015	2014
Trade payables - related parties (Note 6)	2,905	5,181
Trade payables - unrelated parties	15,532	9,672
Accrued expenses - related parties (Note 6)	20	805
Accrued expenses - unrelated parties	6,108	11,662
Total trade and other payables	24,565	27,320

16. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2015 and 2014, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	2015	2014
Defined benefit obligation at beginning of year	7,813	7,605
Current service cost	986	894
Interest cost	360	309
Benefits paid during the year	-	(995)
Defined benefit obligation at end of year	9,159	7,813
Unrecognised transitional provisions	-	(1,205)
Provisions for long-term employee benefits at end of year	9,159	6,608

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

(Unit: Thousand Baht)

	2015	2014
Current service cost	986	895
Interest cost	360	309
Transitional liability recognised during the year	1,205	1,205
Total expense recognised in profit or loss	2,551	2,409
Line items under which such expenses are included in profit or loss		
Cost of services	1,481	1,367
Administrative expenses	1,070	1,042

The Company expects no payment to be made for long-term employee benefits during the next year.

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 13 years (2014: 14 years).

Principal actuarial assumptions at the valuation date were as follows:

	2015 (%per annum)	2014 (%per annum)
Discount rate	4.2	4.2
Future salary increase rate (depending on age)	5.0 - 9.0	5.0 - 9.0
Staff turnover rate	0 - 30.0	0 - 30.0

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:

	Increase (%)	Effect to obligation (Thousand Baht)	Decrease (%)	Effect to obligation (Thousand Baht)
Discount rate	1	(942)	1	1,706
Salary increase rate	1	1,264	1	(1,112)
Turnover rate	6	(954)	6	1,154

17. 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 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

At present, the statutory reserve has fully been set aside.

18. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	2015	2014
Employee expenses	59	75
Cost of sales, advertising media and services	242	186
Depreciation and amortisation	16	9
Consultant and management fee	3	5

19. Income tax

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

(Unit: Thousand Baht)

	2015	2014
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,487)	(3,143)
Income tax benefit reported in the statement of comprehensive income	(1,487)	(3,143)

Reconciliation between income tax benefit and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2015 and 2014 is as follow:

	(Unit: Thousand Baht)	
	2015	2014
Accounting loss before tax	(11,346)	(16,891)
Applicable tax rate	20%	20%
Accounting loss before tax multiplied by applicable tax rate	(2,269)	(3,378)
Increase in temporary differences	(679)	(164)
Effects of:		
Non-deductible expenses	1,480	887
Additional expense deductions allowed	(19)	(488)
Total	1,461	399
Income tax benefit reported in the statement of comprehensive income	(1,487)	(3,143)

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Deferred tax assets		
Allowance for doubtful accounts	136	23
Allowance for diminution in value of inventories	444	389
Provision for long-term employee benefits	1,832	1,321
Tax losses	3,787	2,979
Total	6,199	4,712

20. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of Enterprise software, Digital content and Embedded Software, pursuant to the promotion certificate No. 2911(7)/2555 issued on 20 December 2012. Subject to certain imposed conditions, the tax privileges of the Company includes the following:

- Exemption from corporate income tax on income from the promoted activities for a period of 8 years as from the date of first earning operating income (8 October 2013).

In case that there are losses incurred during the corporate income tax exemption period, the Company is allowed to utilise the losses as a deduction against net income of future years after the expiry of the tax exemption period but with a time limit of 5 years after that period.

- Exemption from income tax on dividend paid to the shareholders from the income of the promoted operation during the corporate income tax exemption period.
- Exemption from import duty on machinery as approved by the Board.

During the year 2015, the Company has operated revenues divided from promoted operations of Baht 0.2 million (2014: Baht 0.5 million).

21. Earnings per share

Basic loss per share is calculated by dividing loss for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Calculation of basic loss per share is presented below:

	2015	2014
Loss for the year (Thousand Baht)	(9,858)	(13,748)
Weight average number of ordinary shares (Thousand shares)	466,000	466,000
Basic loss per share (Baht/share)	(0.021)	(0.030)

22. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance

For management purposes, the Company is organised into business units based on its products and services and has three reportable segments as follows:

- Printing media
- Management of event
- Digital media

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

The chief operating decision maker monitors the operating results of the 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 total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Company financing activities (including finance costs and finance income) and income taxes are managed on a company basis and are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Thousand Baht)

	Year ended 31 December 2015						
	Printing media	Management of event	Digital media	Other segment	Total segments	Eliminations of inter-segment revenues	Total
Revenue from external customers	40,453	155,367	120,827	8,806	325,453	-	325,453
Inter-segment revenue	737	-	35	-	772	(772)	-
Interest revenue	-	-	-	504	504	-	504
Depreciation and amortisation	178	233	3,541	12,302	16,254	-	16,254
Income tax benefit	-	-	-	-	-	-	1,487
Segment profit (loss)	2,249	(11,930)	(2,011)	1,211	(10,481)	(772)	(11,253)

(Unit: Thousand Baht)

	Year ended 31 December 2014						
	Printing media	Management of event	Digital media	Other segment	Total segments	Eliminations of inter-segment revenues	Total
Revenue from external customers	41,931	161,203	71,650	793	275,577	-	275,577
Inter-segment revenue	1,051	-	135	-	1,186	(1,186)	-
Interest revenue	-	-	-	1,117	1,117	-	1,117
Depreciation and amortisation	319	321	2,327	5,757	8,724	-	8,724
Income tax benefit	-	-	-	-	-	-	3,143
Segment profit (loss)	1,136	(12,974)	(5,324)	1,555	(15,607)	(1,186)	(16,793)

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

For the year 2015, the Company has revenue from 10 major customers in the amount of Baht 213 million, arising from sales by management of events of Baht 106 million, digital media of Baht 103 million and printing media of Baht 4 million (2014: Baht 158 million derived from 10 major customers, arising from sales by the management of events of Baht 100 million, digital media of Baht 57 million and printing media of Baht 1 million).

23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees and the Company contribute to the fund monthly at the rate of 3 and 5 percent of basic salary. The fund and benefit will be paid to employees upon termination in accordance with the fund rules.

The contributions for the year 2015 amounting to approximately Baht 1.3 million (2014: Baht 1.8 million) were recognised as expenses.

24. Dividends paid

Dividends declared in the year ended 31 December 2014 consist of:

Dividends	Approved by	Dividend (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 28 March 2014	11,650	0.025

25. Commitments and contingent liabilities

25.1 Operating lease and service commitments

The Company has entered into operating lease agreements in respect of the lease of warehouse space, motor vehicles and service agreements. The term of agreements is generally 1 year. These agreements are non-cancellable.

As at 31 December 2015, minimum lease payments, payable within 1 year, required under these agreements were Baht 10.8 million (2014: Baht 9.4 million).

25.2 Guarantees

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 2.6 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 2.3 million to guarantee tender offer and Baht 0.3 million to guarantee electricity use.

As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 0.3 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business to guarantee electricity use.

26. Financial instruments

26.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, restricted bank deposits and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable and other receivable. The Company 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 does 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 and other receivable as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks with interest bearing. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

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)

As at 31 December 2014

	Fixed interest rate within 1 year	Floating interest rate ¹⁾	Non-interest bearing	Total	Effective interest rate (% p.a.)
<u>Financial Assets</u>					
Cash and cash equivalents	-	39.6	0.1	39.7	0.4 - 1.2
Current investment	58.4	-	-	58.4	1.3 - 2.5
Trade and other receivables	-	-	47.7	47.7	-
Deposits at bank with restrictions	1.0	-	-	1.0	1.6
	<u>59.4</u>	<u>39.6</u>	<u>47.8</u>	<u>146.8</u>	
<u>Financial liabilities</u>					
Trade and other payables	-	-	27.3	27.3	-
	<u>-</u>	<u>-</u>	<u>27.3</u>	<u>27.3</u>	

The Company considers itself no foreign currency risk because it has few transactions that are denominated in foreign currency. The Company therefore does not enter into forward exchange contracts.

	Financial assets		Financial liabilities		Average exchange rate	
Foreign currency	as at 31 December		as at 31 December		as at 31 December	
	2015	2014	2015	2014	2015	2014
					(Baht per 1 foreign currency unit)	

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26.2 Fair values of financial instruments

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.

Since the majority of the Company's financial instruments are short-term in nature, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

27. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Company's debt-to-equity ratio was 0.2:1 (2014: 0.2:1).

28. Reclassifications

Certain accounts in the statement of financial position as at 31 December 2014 have been reclassified to conform to the current year's classification with no effect to previously reported profit or loss or shareholders' equity. Since there was no effect to the statement of financial position as at 1 January 2014, comparative figures have not been presented.

The reclassifications are as follows:

(Unit: Thousand Baht)

	As at 31 December 2014	
	As reclassified	As previously reported
Other current assets	3,369	8,808
Withholding tax deducted at source	9,967	4,528

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2016.