

ARIP Public Company Limited
Report and financial statements
31 December 2020



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Independent Auditor's Report

To the Shareholders of ARIP Public Company Limited

Opinion

I have audited the accompanying financial statements of ARIP Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2020, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2020, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Company's sales and service income forms a significant amount and due to the nature of the Company's business with variety of types of income are generated. I therefore addressed the measurement and timing of revenue recognition as a key audit matter.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select service agreements and sale transactions occurring during the year and near the end of the accounting period to verify the occurrence and accuracy of revenue, whether revenue recognition was consistent with the conditions, and whether it was in compliance with the Company's policy.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in transactions throughout the period, particularly for accounting entries made through journal vouchers.

Deferred tax

The Company has disclosed its accounting policy and details relating to deferred tax in Notes 5.13 and Notes 24 to the financial statements. A deferred tax asset is recognised when it is highly probable that the Company's taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgment with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.



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I assessed the estimates of future taxable profit by checking the required information and key economic assumptions used in the projections against information from internal sources, with particular consideration given to information and assumptions that directly affect revenue growth and gross profit margin. Furthermore, I performed comparative past profit projections with actual taxable profits to assess the exercise of management judgment in estimating taxable profits. I also tested the calculation of future taxation profit based on the above information and assumptions.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Chayapol Suppasdtanon

Certified Public Accountant (Thailand) No. 3972

EY Office Limited

Bangkok: 22 February 2021

ARIP Public Company Limited
Statement of financial position
As at 31 December 2020

(Unit: Baht)

	Note	2020	2019
Assets			
Current assets			
Cash and cash equivalents	8	82,461,070	72,800,766
Trade and other receivables	7, 9, 22	75,801,638	56,375,126
Inventories	10	104,916	168,494
Deferred service costs	11	4,000	14,642,417
Other current financial assets/ Current investments	12	1,722,816	976,742
Withholding tax deducted at source	16	9,983,256	-
Other current assets		2,138,305	3,840,575
Total current assets		172,216,001	148,804,120
Non-current assets			
Restricted bank deposits	13	11,500,000	11,500,000
Property, building and equipment	14, 18	44,942,337	46,200,305
Intangible asset	15	13,298,280	11,906,568
Withholding tax deducted at source	16	5,876,267	13,485,193
Deposits		218,200	218,200
Deferred tax assets	24	2,062,644	2,607,188
Total non-current assets		77,897,728	85,917,454
Total assets		250,113,729	234,721,574

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


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บริษัท อารีป จำกัด (มหาชน)
ARIP Public Company Limited


(นายอนุ เลิศไพโรจน์)
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ARIP Public Company Limited

Statement of financial position (continued)


As at 31 December 2020

			(Unit: Baht)
	Note	2020	2019
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	7, 17	28,322,047	18,070,198
Current portion of lease liability/			
Liability under finance lease agreement	18	399,044	375,221
Other current liabilities	22	5,106,915	2,603,928
Total current liabilities		33,828,006	21,049,347
Non-current liabilities			
Lease liability/ Liability under finance lease agreement			
- net of current portion	18	315,823	714,867
Reserve for long-term employee benefits	19	7,639,464	6,149,804
Total non-current liabilities		7,955,287	6,864,671
Total liabilities		41,783,293	27,914,018
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	20	11,650,000	11,650,000
Deficit		(3,284,241)	(4,807,121)
Total shareholders' equity		208,330,436	206,807,556
Total liabilities and shareholders' equity		250,113,729	234,721,574

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


(นายมนู เลียวไพโรจน์)

Directors


บริษัท อริป จำกัด (มหาชน)
ARIP Public Company Limited


(นายมนู เลียวไพโรจน์)

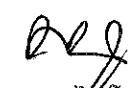
ARIP Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2020

			(Unit: Baht)
	Note	2020	2019
Profit or loss:			
Revenues			
Revenue from contracts with customers	21	224,735,043	164,427,329
Other income		37,579	120,168
Total revenues		<u>224,772,622</u>	<u>164,547,497</u>
Expenses			
Cost of sales, services and license		180,841,613	118,473,206
Selling and distribution expenses		1,248,421	1,153,626
Administrative expenses		38,211,513	43,132,427
Total expenses		<u>220,301,547</u>	<u>162,759,259</u>
Profit from operating activities		4,471,075	1,788,238
Interest income		335,122	1,410,198
Finance cost		(189,073)	(117,020)
Profit before income tax expense		4,617,124	3,081,416
Income tax expense	24	(1,054,484)	(1,753,417)
Profit for the year		<u>3,562,640</u>	<u>1,327,999</u>
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial loss - net of income tax	19, 24	(2,039,760)	-
Other comprehensive income for the year		<u>(2,039,760)</u>	<u>-</u>
Total comprehensive income for the year		<u>1,522,880</u>	<u>1,327,999</u>
Earnings per share	26		
Basic earnings per share			
Profit for the year		<u>0.008</u>	<u>0.003</u>

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


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 บริษัท เออาร์ไอพี จำกัด (มหาชน)
 ARIP Public Company Limited



 (นายมนู เตียวพัชรโรจน์)
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ARIP Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2020


(Unit: Baht)

	Issued and fully paid capital	Share premium	Retained earnings (deficit)		Total
			Appropriated - statutory reserve	Deficit	
Balance as at 1 January 2019	116,500,000	83,464,677	11,650,000	(6,135,120)	205,479,557
Profit for the year	-	-	-	1,327,999	1,327,999
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,327,999	1,327,999
Balance as at 31 December 2019	116,500,000	83,464,677	11,650,000	(4,807,121)	206,807,556
Balance as at 1 January 2020	116,500,000	83,464,677	11,650,000	(4,807,121)	206,807,556
Profit for the year	-	-	-	3,562,640	3,562,640
Other comprehensive income for the year	-	-	-	(2,039,760)	(2,039,760)
Total comprehensive income for the year	-	-	-	1,522,880	1,522,880
Balance as at 31 December 2020	116,500,000	83,464,677	11,650,000	(3,284,241)	208,330,436

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


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บริษัท อารีป จำกัด (มหาชน)
ARIP Public Company Limited


(นางนุญ นุญนาไฟโรจน์)
กรรมการ

ARIP Public Company Limited

Cash flows statement

For the year ended 31 December 2020

		(Unit: Baht)
	2020	2019
Cash flows from operating activities		
Profit before income tax	4,617,124	3,081,416
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	3,795,649	3,272,411
Reversal of doubtful accounts	-	(18,587)
Revesal of loss from impairment of financial assets	(178,556)	-
Reduction of inventories to net realisable value	5,191	16,731
Amortisation of deferred service costs	39,962,309	24,548,881
Gain on sale of equipment	(17,408)	-
Intangible assets written off	7	-
Withholding tax written off	-	493,762
Long-term employee benefits expense	1,145,967	2,491,818
Interest expenses	56,779	79,180
Interest income	(335,122)	(1,410,198)
Profit from operating activities before changes in operating assets and liabilities	49,051,940	32,555,414
Operating assets (increase) decrease		
Trade and other receivables	(19,275,307)	(16,701,878)
Inventories	58,387	44,093
Deferred service costs	(25,323,892)	(35,073,330)
Other current assets	680,020	(1,606,056)
Other assets	326,250	(25,000)
Operating liabilities increase (decrease)		
Trade and other payables	10,251,849	2,114,671
Other current liabilities	2,502,987	(322,467)
Payments for long-term employee benefits	(2,206,007)	(3,255,332)
Cash flows from (used in) operating activities	16,066,227	(22,269,885)
Cash received from withholding income tax refundable	-	3,730,786
Cash paid for income tax	(2,374,330)	(3,454,456)
Net cash flows from (used in) operating activities	13,691,897	(21,993,555)

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

Cash flows statement (continued)

For the year ended 31 December 2020

	(Unit: Baht)	
	2020	2019
Cash flows from investing activities		
Increase in fixed deposits	(50,074)	(63,478)
Acquisitions of equipment	(712,821)	(1,039,366)
Acquisitions of intangible assets	(3,223,257)	(9,942,137)
Proceeds from sales of equipment	24,086	-
Interest income	362,473	1,532,296
Net cash flows used in investing activities	(3,599,593)	(9,512,685)
Cash flows from financing activities		
Payments of principal portion of lease liability	(375,221)	(352,820)
Interest paid	(56,779)	(79,180)
Net cash flows used in financing activities	(432,000)	(432,000)
Net increase (decrease) in cash and cash equivalents	9,660,304	(31,938,240)
Cash and cash equivalents at beginning of the year	72,800,766	104,739,006
Cash and cash equivalents at end of the year (Note 8)	82,461,070	72,800,766
Supplemental cash flows information		
Non-cash item		
Actuarial loss	2,549,700	-

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
Notes to financial statements
For the year ended 31 December 2020

1. General information

1.1 Corporate 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 of e-books, advertisements and all content in digital media, 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.

1.2 The COVID-19 Pandemic


The COVID-2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

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 11 October 2016, 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.


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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited


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3. New financial reporting standards

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

During the year, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:


TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Company's financial statements.


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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited


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TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

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


Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic


The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.


On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Company elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach and reversal of deferred tax assets.

In the fourth quarter of 2020, the Company has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Company has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Company's financial statements.


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ARIP
Association of Registered Investment Professionals
สมาคมวิชาชีพนักลงทุน
Public Company Limited


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b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that the adoption of these standards will not have any significant impact on the financial statements.


4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Company has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.


The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

Statement of financial position	31 December 2019	The effect of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Assets				
Current assets				
Current investments	977	(977)	-	-
Other current financial assets	-	1,999	-	1,999
Other current assets	3,841	(1,022)	-	2,819
Total	4,818	-	-	4,818



(นายปวิช นันทชัย)
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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited



(นายปวิช นันทชัย)
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(Unit: Thousand Baht)

	31 December 2019	The effect of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Liabilities				
Current liabilities				
Current portion of lease liability	-	-	375	375
Current portion of liability under finance lease agreement	375	-	(375)	-
Non-current liabilities				
Lease liability - net of current portion	-	-	715	715
Liability under finance lease agreement - net of current portion	715	-	(715)	-
Total	1,090	-	-	1,090


(นายอนุเลิศ นราไท)
กรรมการ


บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited


(นายมนู เลียวไพโรจน์)
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4.1 Financial instruments

As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

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Financial assets as at 1 January 2020

Cash and cash equivalents
Trade and other receivables
Other current financial assets
Restricted bank deposits
Deposit

บริษัท เจริญไทย จำกัด (มหาชน)
เจริญ Thai Company Limited

	(Unit: Thousand Baht)			
	Classification and measurement in accordance with TFRS 9			
The former carrying amount	Fair value through		Amortised cost	Total
	Fair value through profit or loss	other comprehensive income		
72,801	-	-	72,801	72,801
56,375	-	-	56,375	56,375
1,999	-	-	1,999	1,999
11,500	-	-	11,500	11,500
218	-	-	218	218
142,893	-	-	142,893	142,893
18,070	-	-	18,070	18,070
18,070	-	-	18,070	18,070

Total financial assets

Financial liabilities as at 1 January 2020

Trade and other payables
Total financial liabilities

กรรมการ

(นายบุญเลิศ นวาท)

4.2 Leases

On adoption of TFRS 16, the Company recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Company recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)
Operating lease commitments as at 31 December 2019	9,619
Less: Short-term leases	(138)
Less: Contracts reassessed as service agreements	(9,481)
Increase in lease liabilities due to the adoption of TFRS 16	-
Liabilities under finance lease agreements as at 31 December 2019	1,090
Lease liabilities as at 1 January 2020	1,090
Comprise of:	
Current lease liability	375
Non-current lease liability	715
	1,090

5. Significant accounting policies

5.1 Revenue recognition

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, using output method, measuring based on information provided by the Company's project managers.

The recognised revenue which is not yet due per the contracts has been recorded as "Accrued income". The amounts recognised as accrued income are reclassified to trade receivables when the Company's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

Advertising service income is recognised at a point in time 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 at a point in time when the event has occurred.

(นายอนุเลศ นวลโท)

กรรมการ

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บริษัท เอเชีย ทีวี จำกัด (มหาชน)
ARIP Public Company Limited

(นายณัฏฐ์ เลิศวิไลโรจน์)

กรรมการ

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Magazine subscription income

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

License income

License income is recognised as revenue at a point in time on delivery of the right to use program, provided that there are no significant post delivery obligations.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

5.2 Cost to fulfill a contract


The Company recognised costs that relate to the satisfaction of performance obligations under the contract as asset, when the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and are expected to be recovered. The costs are amortised on a systematic basis that is consistent with the nature of the revenue recognition. The Company recognised impairment loss to the extent that the carrying amount of an asset exceeds the amount of the consideration less related cost.


5.3 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.

5.4 Inventories

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


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บริษัท อารีป จำกัด (มหาชน)
ARIP Public Company Limited


(นายณฐก เลิศไพโรจน์)
กรรมการ

5.5 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, 20 years
Computer equipment	-	3, 5 years
Office equipment and furniture	-	5 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.

5.6 Leases

Accounting policies adopted since 1 January 2020

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

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บริษัท เอเชีย ไรป จำกัด (มหาชน)
ARIP Public Company Limited

(นายบุญเชาว์ไพโรจน์)

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Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term as follow:

Motor vehicles 5 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right of use are presented as property, buildings and equipment in the financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expense on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as financial leases. Financial 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.

(นางบุญเลิศ นราไท)

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บริษัท เอมทีวี จำกัด (มหาชน)
emtv Public Company Limited

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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.

5.7 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.

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

	<u>Useful lives</u>
Computer softwares	3, 5 years
E-course	3 years

5.8 Related party transactions

Related parties comprise individuals or enterprises 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 or enterprises 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.


5.9 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 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.


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100/1 หมู่ 10 ต.บางพลีใหญ่ อ.บางพลี จ.สมุทรปราการ


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กรรมการ

5.10 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of property, building and equipment, right-of-use asset 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.

5.11 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

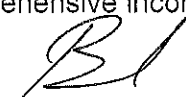
The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.


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 defined benefits plans are recognised immediately in other comprehensive income.


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บริษัท เอเชีย ไรฟ จำกัด
ARIP RIF Co., Ltd.


(นายบุญเลิศ นราไท)
กรรมการ

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

5.12 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.

5.13 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.

5.14 Financial instruments

Accounting policies adopted since 1 January 2020

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

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Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

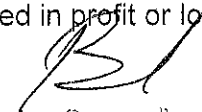
Classification and measurement of financial liabilities

At initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.


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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited


(นายบุญเลิศ นวลไท)
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Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.


Accounting policies adopted before 1 January 2020

Trade accounts receivable

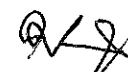
Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.15 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 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 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.


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บริษัท เออาร์ไอพี จำกัด (มหาชน)
arip Public Company Limited


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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 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 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:


Estimated stage of completion


The Company recognises service revenue over the period for which service is rendered taking into account the stage of completion. The management is required to use judgement based on the best information available in the current situation and business experience to measure progress towards complete satisfaction of a performance obligation (output method), based on information provided by the project managers.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.


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บริษัท เออาร์ไอพี จำกัด (มหาชน)
arip Public Company Limited


(นางบุญเลิศ นราไท)
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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.

7. 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
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
Lease It Public Company Limited	Common shareholders/Common directors
Dataone Asia (Thailand) Co., Ltd.	Common shareholders/Common directors
BOL Digital Co., Ltd.	Common shareholders/Common directors
Bioborne Co., Ltd.	Common shareholders/Common directors
AR Elastomer Co. Ltd.	Common shareholders/Common directors
Ares International (Thailand) Co., Ltd.	Common shareholders/Common directors
National Credit Bureau Co., Ltd.	Common directors
SPVI Public Company Limited	Common directors
IT City Public Company Limited (มหาชนอิเล็กทรอนิกส์ นวัตกรรม)	Common directors (นายมนู เลียวไพโรจน์)

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Name	Relationship
Thai Beverage Public Company Limited	Common directors
Bangkok Union Insurance Public Company Limited	Common directors
Siam Steel International Public Company Limited	Common directors
UBM Asia (Thailand) Co., Ltd.	Common directors
Kang Yong Electric Public Company Limited	Common directors
Jubilee Enterprise Public Company Limited	Common directors
Asys Computer Co., Ltd.	Common directors
Khon Kaen Sugar Industry Public Company Limited	Common directors
Digitech One Co., Ltd.	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: Thousand Baht)

	2020	2019	Pricing policy
<u>Transactions with related parties</u>			
Revenue			
Sales of goods	1,294	2,554	Cost plus margin
Advertising income	3,623	3,950	Market price
Revenue from management of event	13,128	13,912	Market price
Other service income	4,847	9,783	Cost plus margin
Expenses			
Purchases of goods	864	1,573	Market price
Advertising and marketing expenses	1,385	1,706	Agreed upon basis
Internet fee	660	685	Market price
Management fee	1,810	1,800	Agreed upon basis
Service fee for accounting software	1,684	1,404	Agreed upon basis
Other service fee	6,743	4,151	Cost plus margin


(นายบุญเลิศ นราไท)
กรรมการ


บริษัท เอเชีย เอราวัณ จำกัด (มหาชน)
ARIP Public Company Limited


(นายบุญเลิศวิโรจน์)
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As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	2020	2019
Trade and other receivables - related parties (Note 9)		
Related companies (related by common shareholders and directors)	7,032	10,012
Trade and other payables - related parties (Note 17)		
Related companies (related by common shareholders and directors)	4,955	714

Directors and management's benefits


During the years ended 31 December 2020 and 2019, the Company had employee benefit expenses payable to their directors and management as below.


	(Unit: Thousand Baht)	
	2020	2019
Short-term employee benefits	13,653	14,381
Post-employment benefits	233	234
Total	13,886	14,615

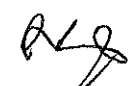
8. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2020	2019
Cash	130	130
Bank deposits	82,331	72,671
Total	82,461	72,801

As at 31 December 2020, bank deposits carried interests between 0.05% and 0.50% per annum (2019: between 0.37% and 1.40% per annum).



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ARIP
บริษัท อารีป จำกัด (มหาชน)
100 หมู่ 10 ตำบล คลองเตย อำเภอ คลองเตย จังหวัด สงขลา 90110



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9. Trade and other receivables

	(Unit: Thousand Baht)	
	2020	2019
Trade receivables - related parties (Note 7 and 22)		
Aged on the basis of due dates		
Not yet due	5,194	6,770
Past due		
Up to 3 months	868	532
Total trade receivables - related parties	6,062	7,302
Trade receivables - unrelated parties (Note 22)		
Aged on the basis of due dates		
Not yet due	20,436	14,087
Past due		
Up to 3 months	11,005	3,838
3 - 6 months	12,534	-
6 - 12 months	-	214
Over 12 months	605	605
Total	44,580	18,744
Less: Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	(640)	(819)
Total trade receivables - unrelated parties, net	43,940	17,925
Total trade receivables - net	50,002	25,227
Other receivables		
Accrued income - related parties (Note 7 and 22)	970	2,710
Accrued income - unrelated parties (Note 22)	22,896	21,095
Retention receivables (Note 22)	1,920	7,291
Advance payments	-	10
Others	14	42
Total other receivables	25,800	31,148
Trade and other receivables - net	75,802	56,375


(นายไพจิตร นันทชัย)
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บริษัท เอเชียไฟเบอร์ จำกัด (มหาชน)
ARIP Public Company Limited


(นายไพจิตร นันทชัย)
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Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	(Unit: Thousand Baht)
As at 1 January 2020	819
Increase during the year	35
Amount recovered	(214)
As at 31 December 2020	640

10. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	657	737	(623)	(618)	34	119
Raw materials	71	49	-	-	71	49
Total	728	786	(623)	(618)	105	168

During the current year, the Company reduced cost of inventories by Baht 0.012 million (2019: Baht 0.025 million), to reflect the net realisable value. In addition, the Company reversed the write-down of cost of inventories by Baht 0.007 million (2019: Baht 0.008 million), and reduced the amount of inventories recognised as expenses during the year.

11. Deferred service costs

	(Unit: Thousand Baht)	
	2020	2019
Net book value at beginning of year	14,642	4,118
Additions	25,324	35,073
Amortisation	(39,962)	(24,549)
Net book value at end of year	4	14,642

12. Other current financial assets / Current investment

	(Unit: Thousand Baht)	
	2020	2019
<u>Debt instruments at amortised cost</u>		
Fixed deposits	1,027	977
Other deposits	696	-
Total other current financial assets - net	1,723	977

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ORIP

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As at 31 December 2020, the Company had invested in fixed deposit with a maturity of more than 3 months totalling Baht 1.0 million. (2019: Baht 1.0 million) The fixed deposit carried interest at rates of 0.20% - 0.30% per annum (2019: 0.90% - 1.00% per annum).

13. Restricted bank deposits

As at 31 December 2020 and 2019, restricted bank deposits are detailed below.


- 12 months fixed deposit of Baht 6.0 million pledged with a bank to secure bank overdrafts facility of Baht 5.0 million and bank guarantee facility of Baht 20.0 million.
- 6 months fix deposit of Baht 0.5 million and saving bank deposit of Baht 5.0 million pledged with banks to secure the issuance of bank guarantees granted by the banks to the Company.

14. Property, building and equipment


	(Unit: Thousand Baht)	
	2020	2019
<u>Net book value:</u>		
Property, plant and equipment	43,855	44,515
Right-of-use assets (Note 18)	1,087	1,685
Total	44,942	46,200

Movements of property, plant and equipment for the years ended 31 December 2020 and 2019 are summarised below.

	(Unit: Thousand Baht)						
	Land	Building	Building improvements	Computer equipment	Furniture fixtures and office equipment	Motor vehicles	Total
Cost:							
1 January 2019	41,074	10,000	15,202	21,468	8,531	8,660	104,935
Additions	-	-	-	930	109	-	1,039
31 December 2019	41,074	10,000	15,202	22,398	8,640	8,660	105,974
Effects of the adoption of TFRS16	-	-	-	-	-	(2,990)	(2,990)
1 January 2020	41,074	10,000	15,202	22,398	8,640	5,670	102,984
Additions	-	-	-	216	497	-	713
Disposal	-	-	-	(1,939)	(421)	-	(2,360)
31 December 2020	41,074	10,000	15,202	20,675	8,716	5,670	101,337


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(Unit: Thousand Baht)

	Land	Building	Building improvements	Computer equipment	Furniture fixtures and office equipment	Motor vehicles	Total
Accumulated depreciation:							
1 January 2019	-	9,418	13,557	20,121	7,874	6,375	57,346
Depreciation for the year	-	500	213	783	333	600	2,429
31 December 2019	-	9,918	13,770	20,904	8,207	6,975	59,774
Effects of the adoption of TFRS16	-	-	-	-	-	(1,305)	(1,305)
1 January 2020	-	9,918	13,770	20,904	8,207	5,670	58,469
Depreciation for the year	-	82	213	821	250	-	1,366
Depreciation on disposals	-	-	-	(1,938)	(415)	-	(2,353)
31 December 2020	-	10,000	13,983	19,787	8,042	5,670	57,482
Net book value:							
31 December 2019	41,074	82	1,432	1,494	433	1,685	46,200
1 January 2020	41,074	82	1,432	1,494	433	-	44,516
31 December 2020	41,074	-	1,219	888	674	-	43,855
Depreciation for the year							
2019 (All included in administrative expenses)							2,429
2020 (All included in administrative expenses)							1,366

As at 31 December 2019, the Company had vehicle with net book value of Baht 1.7 million which was acquired under finance lease agreement.

As at 31 December 2020, certain equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 51.9 million (2019: Baht 45.5 million).

15. Intangible assets

(Unit: Thousand Baht)

	Computer softwares	E-course	E-course and software under development	Total
Cost:				
1 January 2019	20,724	2,255	950	23,929
Additions	106	-	9,837	9,943
Transfer in (out)	-	299	(299)	-
31 December 2019	20,830	2,554	10,488	33,872
Additions	15	-	3,208	3,223
Disposals	(45)	-	-	(45)
Transfer in (out)	7,580	991	(8,571)	-
31 December 2020	28,380	3,545	8,125	37,050

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(Unit: Thousand Baht)

	Computer softwares	E-course	E-course and software under development	Total
Accumulated amortisation:				
1 January 2019	20,655	466	-	21,121
Amortisation for the year	56	788	-	844
31 December 2019	20,711	1,254	-	21,965
Amortisation for the year	846	986	-	1,832
Disposals	(45)	-	-	(45)
31 December 2020	21,512	2,240	-	23,752
Net book value:				
31 December 2019	119	1,300	10,488	11,907
31 December 2020	6,868	1,305	5,125	13,298
Amortisation for the year				
2019 (Baht 0.8 million included in service cost, and the balance in administrative expenses)				844
2020 (Baht 1.0 million included in service cost, and the balance in administrative expenses)				1,832

As at 31 December 2020, certain computer software has been fully amortised but is still in use. The original cost of those assets amounted to approximately Baht 21.3 million (2019: Baht 20.6 million).

16. Withholding tax deducted at source

(Unit: Thousand Baht)

	2020	2019
Year 2016	2,966	2,970
Year 2017	3,868	3,868
Year 2018	3,190	3,191
Year 2019	3,456	3,456
Year 2020	2,380	-
Total	15,860	13,485

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.

In January 2020, the Company received a refund of withholding tax deducted at source of the year 2016 2017 and 2018 of Baht 10.0 million.

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17. Trade and other payables

	(Unit: Thousand Baht)	
	2020	2019
Trade payables - related parties (Note 7)	1,917	705
Trade payables - unrelated parties	13,469	10,198
Accrued expenses - related parties (Note 7)	3,038	9
Accrued expenses - unrelated parties	9,898	7,158
Total trade and other payables	28,322	18,070

18. Leases

The Company as a lessee

The Company has lease contracts for motor vehicle used in its operations. The term of the agreement is generally 5 years.

a) Right-of-use assets


Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)
	Motor vehicle
1 January 2020	1,685
Depreciation for the year	(598)
31 December 2020	1,087


b) Lease liability/ Liability under finance lease agreement

	(Unit: Thousand Baht)	
	2020	2019
Lease liability/ Liability under finance lease agreement	756	1,188
Less: Deferred interest expenses	(41)	(98)
Total	715	1,090
Less: Portion due within one year	(399)	(375)
Lease liability/ Liability under finance lease agreement - net of current portion	316	715

A maturity analysis of lease payments is disclosed in Note 30 under the liquidity risk.


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c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

For the year ended 31 December 2020

Depreciation expense of right-of-use assets	598
Interest expense on lease liabilities	57
Expense relating to short-term leases	138

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2020 of Baht 0.6 million, including the cash outflow related to short-term lease.

19. Provision for long-term employee benefits

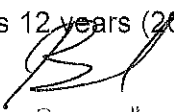
Provision for long-term employee benefits as at 31 December 2020 and 2019, which is compensations on employees' retirement, was as follows:


(Unit: Thousand Baht)


	2020	2019
Provision for long-term employee benefits		
at beginning of year	6,150	6,913
Included in profit or loss:		
Current service cost	921	783
Interest cost	224	225
Past service cost from the plan amendment	-	1,484
Included in other comprehensive income:		
Actuarial (gain) loss arising from:		
Demographic assumptions changes	(42)	-
Financial assumptions changes	410	-
Experience adjustments	2,182	-
Benefit paid during the year	(2,206)	(3,255)
Provision for long-term employee benefits		
at end of year	7,639	6,150

The Company expects no payment to be made for long-term employee benefits during the next year (2019: Nil).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2019: 10 years).


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Significant actuarial assumptions are summarised below:

	2020	2019
	(%per annum)	(%per annum)
Discount rate	1.5	2.7
Future salary increase rates (depending on age)	3.5 - 5.5	4.0 - 7.5
Staff turnover rates	0 - 25.0	0 - 27.0


The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:


31 December 2020				
	Increase	Effect to obligation	Decrease	Effect to obligation
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	1	(708)	1	806
Salary increase rate	1	701	1	(634)
Turnover rate	10	(409)	10	452

31 December 2019				
	Increase	Effect to obligation	Decrease	Effect to obligation
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	1	(715)	1	805
Salary increase rate	1	784	1	(712)
Turnover rate	10	(370)	10	409

20. 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.


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21. Revenue from contracts with customers

21.1 Disaggregated revenue information

	(Unit: Thousand Baht)	
	2020	2019
Type of goods or service:		
Income from sale	2,141	3,166
Income from management of events and seminar	68,775	79,148
Income from service	153,819	82,113
Total revenue from contracts with customers	<u>224,735</u>	<u>164,427</u>
Timing of revenue recognition:		
Revenue recognised at a point in time	109,706	135,981
Revenue recognised over time	115,029	28,446
Total revenue from contracts with customers	<u>224,735</u>	<u>164,427</u>

21.2 Revenue recognised in relation to contract balances


	(Unit: Thousand Baht)	
	2020	2019
Revenue recognised that was included in the beginning of the year of contract liabilities	182	230

21.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue aggregating to Baht 17.3 million is expected to be recognised in the future relating to performance obligations that are unsatisfied of contracts with customer (2019: Baht 29.1 million).

22. Contract balances

	(Unit: Thousand Baht)	
	31 December 2020	31 December 2019
Contracts asset (Note 9)	75,788	56,323
Contract liabilities	721	206


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23. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	2020	2019
Employee expenses	44	52
Cost of sales, advertising media and services	155	87
Depreciation and amortisation	4	3
Consultant and management fees	3	3

24. Income tax

Income tax for the years ended 31 December 2020 and 2019 were made up as follows:

(Unit: Thousand Baht)

	2020	2019
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	1,054	1,753
Tax expense reported in the statement of comprehensive income	1,054	1,753

The reconciliations between accounting profit and income tax expense were shown below:

(Unit: Thousand Baht)

	2020	2019
Accounting profit before tax	4,617	3,081
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	923	616
Adjustment in respect of income tax of previous year	-	-
Reversal deferred tax assets as previously recorded	100	1,001
Effects of:		
Non-deductible expenses	198	329
Additional expense deductions allowed	(167)	(193)
Total	31	136
Tax expense reported in the statement of comprehensive income	1,054	1,753

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The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 were as follows:

	(Unit: Thousand Baht)	
	2020	2019
Deferred income tax relating to:		
Actuarial loss	510	-

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	2020	2019
Deferred tax assets		
Allowance for doubtful accounts	128	164
Allowance for diminution in value of inventories	125	123
Provision for long-term employee benefits	1,528	1,230
Tax losses	282	1,090
Total	2,063	2,607


25. Promotional privilege

The Company has received promotional privilege 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 privilege of the Company includes an 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).


During the year 2020, the Company has operating revenue derived from promoted operation of Baht 0.02 million (2019: Baht 0.10 million).

26. Earnings per share

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


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Calculation of basic earnings per share is presented below:

	2020	2019
Profit for the year (Thousand Baht)	3,563	1,328
Weight average number of ordinary shares (Thousand shares)	466,000	466,000
Basic earnings per share (Baht/share)	0.008	0.003

27. 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:

- Media and contents
- Management of event
- Digital service


During the year, 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.


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The following tables present revenue and profit information regarding the Company's operating segments for the years ended 31 December 2020 and 2019, respectively.

(Unit: Thousand Baht)

For the year ended 31 December 2020						
	Media and contents	Management of events	Digital service	Total segments	Elimination of inter-segment revenues	Total
Revenue						
Revenue from external customers	30,381	61,978	132,376	224,735	-	224,735
Inter-segment revenue	-	-	-	-	-	-
Total revenue	30,381	61,978	132,376	224,735	-	224,735
Operating result						
Segment profit	2,338	204	1,891	4,433	-	4,433
Finance cost						(189)
Other income						373
Profit before income tax						4,617
Income tax expense						(1,054)
Profit for the year						3,563

(Unit: Thousand Baht)

For the year ended 31 December 2019						
	Media and contents	Management of events	Digital service	Total segments	Elimination of inter-segment revenues	Total
Revenue						
Revenue from external customers	39,081	73,778	51,568	164,427	-	164,427
Inter-segment revenue	-	-	-	-	-	-
Total revenue	39,081	73,778	51,568	164,427	-	164,427
Operating result						
Segment profit (loss)	1,549	(606)	725	1,668	-	1,668
Finance cost						(117)
Other income						1,530
Profit before income tax						3,081
Income tax expense						(1,753)
Profit for the year						1,328

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 2020, the Company has revenue from 2 major customers in amount of Baht 73 million and Baht 24 million, arising from digital service segment and media and contents segment (2019: 4 major customers in amount of Baht 8 million, Baht 8 million, Baht 8 million and Baht 7 million, arising from digital service segment, management of events segment, and media and contents segment).

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28. 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 rates 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.

During the year 2020, the Company contributed Baht 1.1 million (2019: Baht 1.2 million) to the fund.

29. Commitments and contingent liabilities

29.1 Capital commitments

As at 31 December 2020, the Company had capital commitments of Baht 6.0 million (2019: Baht 0.8 million), relating to development of operating system software.

29.2 Product and development online media commitments

As at 31 December 2020, the Company had product and development online media commitments of Baht 12.2 million.

29.3 Lease and service commitments


The Company has entered into lease agreements in respect of the lease of motor vehicles and service agreements. The terms of agreements are generally 1 and 5 years. These agreements are non-cancellable.


As at 31 December 2020 and 2019, minimum lease payments, required under these non-cancellable lease and service agreements contracts were as follows:


	(Unit: Million Baht)	
	2020	2019
Payable:		
In up to 1 year	7.5	9.3
In over 1 and up to 5 years	0.4	0.3

29.4 Bank guarantees

As at 31 December 2020, there were outstanding bank guarantee of approximately Baht 4.6 million issued by bank on behalf of the Company to guarantee for performance obligation (2019: Nil)


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30. Financial instruments

30.1 Financial risk management objectives and policies

The Company's financial instruments—principally comprise cash and cash equivalents, trade and other receivables, other current financial assets, restricted bank deposits, trade and other payables and lease liability. 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, deposits with banks and financial institutions and other current financial assets. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

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 regularly monitors the outstanding trade receivables and has a policy to expand its customer group to diversify the Company's customer base in various industries which reducing the risk of debtor concentration.

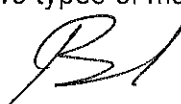
An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off when performing legal collection or the prosecute is finalised.

Financial instruments and cash deposits


The Company's management manages the credit risk from balances with banks and financial institutions by making investments within credit limits which are approved and reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Executive Committee.

Market risk

There are two types of market risk comprising interest rate risk and currency risk.


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Foreign currency risk

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.

Interest rate risk

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.

Liquidity risk

The Company's cash and cash equivalent exceeded its current liabilities which the liquidity risk is low. In addition, the Company is able to access to sufficient sources of funding from its bank overdraft facility and bank guarantee facility.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	28.3	-	-	28.3
Lease liability	-	0.4	0.3	-	0.7
Total non-derivatives	-	28.7	0.3	-	29.0

30.2 Fair values of financial instruments


Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

31. 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 2020, the Company's debt-to-equity ratio was 0.20:1 (2019: 0.13:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2021.

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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited

(นายบุญเชษฐาไฟโรจน์) 
กรรมการ