

Thai Nakin Hospital Public Company Limited
Report and financial statements
31 July 2019

Independent Auditor's Report

To the Shareholders of Thai Nakarin Hospital Public Company Limited

Opinion

I have audited the accompanying financial statements of Thai Nakarin Hospital Public Company Limited (“the Company”), which comprise the statement of financial position as at 31 July 2019, 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 Thai Nakarin Hospital Public Company Limited as at 31 July 2019, 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 matter and how audit procedures respond to the matter are described below.

Revenue recognition

Revenues from hospital operations are considered significant in the financial statements as the amounts recorded are material, representing 99% of the total revenues and they directly affect the operating results of the Company. In addition, there are various components in revenues from hospital operations which include revenue from sales of medicines and medical supplies, revenue from medical services, revenue from patient rooms, including discounts for counterparties, whereas the agreements contain various conditions for each party. I therefore gave significant attention to the revenue recognition of the Company.

I 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 enquires of responsible executives, gaining an understanding of the controls and selecting representative samples to the operation of the designed controls. In addition, I applied a sampling method to select revenue from hospital operation transactions occurring during the year to examine the supporting documents. I requested a balance confirmation from accounts receivable and tested revenue cut-off. I also performed analytical procedures of disaggregated data and significant financial ratios with the past information and industry to detect possible irregularities in revenues from sales and services throughout the period, particularly for accounting entries made through journal vouchers.

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.

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.

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.

Satida Ratananurak
Certified Public Accountant (Thailand) No. 4753

EY Office Limited
Bangkok: 12 September 2019

Thai Nakarin Hospital Public Company Limited**Statement of financial position****As at 31 July 2019**

		(Unit: Baht)	
		31 July	31 July
	Note	2019	2018
Assets			
Current assets			
Cash and cash equivalents	7	267,719,290	384,701,576
Current investments	8	421,941,607	717,930,257
Trade and other receivables	6, 9	147,934,391	129,655,791
Inventories	10	27,826,572	31,179,848
Other current assets		<u>3,052,699</u>	<u>3,024,665</u>
Total current assets		<u>868,474,559</u>	<u>1,266,492,137</u>
Non-current assets			
Long-term deposits at financial institutions	11	100,000,000	100,000,000
Property, plant and equipment	12	484,917,651	492,135,634
Intangible assets	13	3,185,555	3,990,571
Leasehold rights	14	651,845,592	-
Deferred tax assets	19	18,449,707	14,529,149
Other non-current assets		<u>118,229</u>	<u>148,010</u>
Total non-current assets		<u>1,258,516,734</u>	<u>610,803,364</u>
Total assets		<u><u>2,126,991,293</u></u>	<u><u>1,877,295,501</u></u>

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

Thai Nakarin Hospital Public Company Limited
Statement of financial position (continued)
As at 31 July 2019

		(Unit: Baht)	
	Note	31 July 2019	31 July 2018
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	15	155,635,862	144,899,767
Doctor fee payable	6	81,660,162	71,652,176
Income tax payable		29,020,934	31,019,401
Other current liabilities		1,083,424	933,792
Total current liabilities		267,400,382	248,505,136
Non-current liabilities			
Provision for long-term employee benefits	16	81,176,693	59,711,139
Other non-current liabilities		523,000	523,000
Total non-current liabilities		81,699,693	60,234,139
Total liabilities		349,100,075	308,739,275
Shareholders' equity			
Share capital			
Registered			
180,000,000 ordinary shares of Baht 1 each		180,000,000	180,000,000
Issued and fully paid-up			
180,000,000 ordinary shares of Baht 1 each		180,000,000	180,000,000
Share premium		20,537,768	20,537,768
Retained earnings			
Appropriated - statutory reserve	17	18,000,000	18,000,000
Unappropriated		1,559,353,450	1,350,018,458
Total shareholders' equity		1,777,891,218	1,568,556,226
Total liabilities and shareholders' equity		2,126,991,293	1,877,295,501

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

Directors

Thai Nakaran Hospital Public Company Limited

Statement of comprehensive income

For the year ended 31 July 2019

(Unit: Baht)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Profit and loss:			
Revenues			
Revenues from hospital operations		2,155,147,992	2,134,506,009
Other income		<u>29,926,748</u>	<u>29,761,932</u>
Total revenues		<u>2,185,074,740</u>	<u>2,164,267,941</u>
Expenses			
	18		
Cost of hospital operations		1,580,599,994	1,524,045,703
Administrative expenses		<u>212,822,553</u>	<u>203,966,685</u>
Total expenses		<u>1,793,422,547</u>	<u>1,728,012,388</u>
Profit before income tax expenses		391,652,193	436,255,553
Income tax expenses	19	<u>(74,126,815)</u>	<u>(80,193,669)</u>
Profit for the year		<u>317,525,378</u>	<u>356,061,884</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified</i>			
<i>to profit or loss in subsequent periods</i>			
Actuarial loss	16	(237,982)	-
Less: Income tax effect	19	<u>47,596</u>	-
Net other comprehensive income not to be reclassified			
<i>to profit or loss in subsequent periods</i>		<u>(190,386)</u>	-
Other comprehensive income for the year		<u>(190,386)</u>	-
Total comprehensive income for the year		<u>317,334,992</u>	<u>356,061,884</u>
Basic earnings per share			
	20		
Profit		<u>1.76</u>	<u>1.98</u>
Weighted average number of ordinary shares (shares)		<u>180,000,000</u>	<u>180,000,000</u>

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

Thai Nakin Hospital Public Company Limited

Statement of cash flows

For the year ended 31 July 2019

(Unit: Baht)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Profit before tax	391,652,193	436,255,553
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation expenses	85,880,116	85,307,446
Bad debts and doubtful debts	1,638,696	789,393
Long-term employee benefit expenses	25,086,235	10,016,622
Gain on disposals of equipment	(791,511)	(50,284)
Gain on sales and change in value of investments in trading securities	(4,011,350)	(2,824,575)
Interest income	<u>(11,682,481)</u>	<u>(12,151,710)</u>
Profit from operating activities before changes in operating assets and liabilities	487,771,898	517,342,445
Decrease (increase) in operating assets		
Trade and other receivables	(21,348,581)	(3,004,423)
Inventories	3,353,276	(5,084,561)
Other current assets	(28,034)	(446,011)
Other non-current assets	29,781	107,016
Increase (decrease) in operating liabilities		
Trade and other payables	10,883,900	4,325,613
Doctor fee payable	10,007,986	3,678,187
Other current liabilities	149,632	5,499
Provision for long-term employee benefits	<u>(3,858,663)</u>	<u>(4,101,475)</u>
Cash from operating activities	486,961,195	512,822,290
Cash paid for income tax	<u>(79,998,244)</u>	<u>(80,025,082)</u>
Net cash from operating activities	<u>406,962,951</u>	<u>432,797,208</u>

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

Thai Nakaran Hospital Public Company Limited**Statement of cash flows (continued)****For the year ended 31 July 2019**

(Unit: Baht)

	<u>2019</u>	<u>2018</u>
Cash flows from investing activities		
Interest received	13,113,766	12,112,601
Net decrease (increase) in current investments	300,000,000	(104,400,000)
Decrease in long-term deposits at financial institutions	-	69,200,000
Cash paid for purchases of building improvement and equipment	(61,745,208)	(46,330,731)
Cash paid for purchase of intangible assets	(255,623)	(527,151)
Cash paid for purchase of leasehold rights	(668,000,000)	-
Cash received from disposals of equipment	941,828	798,019
Net cash used in investing activities	<u>(415,945,237)</u>	<u>(69,147,262)</u>
Cash flows from financing activities		
Dividend paid	<u>(108,000,000)</u>	<u>(108,000,000)</u>
Net cash used in financing activities	<u>(108,000,000)</u>	<u>(108,000,000)</u>
Net (decrease) increase in cash and cash equivalents	(116,982,286)	255,649,946
Cash and cash equivalents at beginning of year	<u>384,701,576</u>	<u>129,051,630</u>
Cash and cash equivalents at end of year (Note 7)	<u><u>267,719,290</u></u>	<u><u>384,701,576</u></u>
 Supplemental cash flows information		
Non-cash items		
Write-off trade receivables as bad debts	1,838,029	718,342
Accounts payable - construction and equipment purchase	13,493,563	13,641,368

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

Thai Nakarin Hospital Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 July 2019

(Unit: Baht)

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 August 2017		180,000,000	20,537,768	18,000,000	1,101,956,574	1,320,494,342
Profit for the year		-	-	-	356,061,884	356,061,884
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	356,061,884	356,061,884
Dividend paid	21	-	-	-	(108,000,000)	(108,000,000)
Balance as at 31 July 2018		<u>180,000,000</u>	<u>20,537,768</u>	<u>18,000,000</u>	<u>1,350,018,458</u>	<u>1,568,556,226</u>
Balance as at 1 August 2018		180,000,000	20,537,768	18,000,000	1,350,018,458	1,568,556,226
Profit for the year		-	-	-	317,525,378	317,525,378
Other comprehensive income for the year		-	-	-	(190,386)	(190,386)
Total comprehensive income for the year		-	-	-	317,334,992	317,334,992
Dividend paid	21	-	-	-	(108,000,000)	(108,000,000)
Balance as at 31 July 2019		<u>180,000,000</u>	<u>20,537,768</u>	<u>18,000,000</u>	<u>1,559,353,450</u>	<u>1,777,891,218</u>

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

Thai Nakin Hospital Public Company Limited

Notes to financial statements

For the year ended 31 July 2019

1. General information

Thai Nakin Hospital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in hospital business. The registered office of the Company is at No. 345 Thepparat Road, Kwaeng Bangna Nuea, Khet Bangna, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession 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.

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

During the year, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

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

During the year, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019, a set of 5 standards related to financial instruments and TFRS 16 Leases, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of this standards are summarised below.

TFRS 15 Revenue from contracts with customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

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

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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 using similar principles to those used under TAS 17.

The management of the Company is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Revenue from hospital operations

Revenues from hospital operations, mainly consisting of medical fees, hospital room sales and medicine sales, are recognised as income when services have been rendered or medicines have been delivered.

Revenue from rental

Revenue from rental is recognised over the term of the rental agreements.

Interest income

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

Other income

Other income is recognised on an accrual basis.

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 3 months or less and not subject to withdrawal restrictions.

4.3 Investments in trading securities

Investments in securities held for trading are stated at fair value. Changes in the fair value, which is determined from the net asset value of these securities, are recorded in profit or loss.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.4 Trade accounts receivable and allowance for doubtful accounts

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.

4.5 Inventories

Inventories are valued at the lower of cost (first-in first out) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.6 Property, plant and equipment and 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 buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Particulars	Useful lives (years)	
	Assets acquired before	Assets acquired as from
	1 August 2004	1 August 2004
Land improvement	30	30
Buildings	25	Over the lease term
Building improvement	10	10
Facility systems	15, 20	3 - 10
Medical accessory equipment	5 - 20	5 - 15
Furniture, fixtures and equipment	8 - 15	5 - 10
Vehicles	10	10

Depreciation is included in determining income. No depreciation is provided on land and assets under construction and installation.

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

4.7 Intangible assets

Intangible assets are measured at cost on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	<u>Useful lives</u>
Computer software	10 years

4.8 Leasehold rights

Leasehold rights are amortised on the straight-line basis over the lease period.

4.9 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.

4.10 Long-term leases

Leases of property 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.

4.11 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised in profit or loss 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.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.12 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Company 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. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit 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.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

4.14 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.

4.15 Income tax

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

Current tax

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

Deferred tax

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

The Company recognises deferred tax liabilities for all taxable temporary differences while its 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 assets 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.

4.16 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 applies a quoted market price in an active market to measure its 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 measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories 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 determines 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.

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Fair value of financial instruments

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

Property, plant and equipment and depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the Company's buildings 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, plant and equipment for impairment on a periodical basis and records impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences 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 and other long-term employee benefits under defined benefit plans

The obligations under the post-employment benefit plan and other long-term employee benefit plan are 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.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

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.

	<u>Transfer pricing policy</u>
Revenues from hospital operations	Based on the price charged to normal customers
Rental income	Rates as stipulated in the agreements
Doctor fee expenses (directors and management)	The same rate as other doctors in the hospital
Medical welfare expenses	Under the Company's regulations, medical welfare benefits are granted to directors, their spouses, children and parents, up to a specified amount per annum. These benefits exclude doctor fees, examinations conducted on other premises and special equipment charges

	(Unit: Thousand Baht)	
	<u>For the years ended 31 July</u>	
	<u>2019</u>	<u>2018</u>
<u>Transactions with related companies and persons</u>		
Revenues from hospital operations	49	29
Rental income	300	300
Doctor fee expenses (directors and management)	11,594	11,621
Medical welfare expenses	4,250	3,393

The balances of accounts as at 31 July 2019 and 2018 between the Company and its related parties are as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties (Note 9)</u>		
Related companies (related by common shareholders and directors)	4	8
Total trade receivables - related parties	<u>4</u>	<u>8</u>
<u>Other receivables - related parties (Note 9)</u>		
Related companies (related by common shareholders and directors)	81	111
Total other receivables - related parties	<u>81</u>	<u>111</u>
<u>Doctor fee payable - related persons</u>		
Related persons (directors and management)	947	1,016
Total doctor fee payable - related persons	<u>947</u>	<u>1,016</u>

Directors and management's benefits

During the years ended 31 July 2019 and 2018, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Short-term employee benefits	32,199	35,206
Post-employment benefits	7,161	1,736
Total	<u>39,360</u>	<u>36,942</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Cash	5,723	6,044
Bank deposits	261,996	378,658
Total cash and cash equivalents	<u>267,719</u>	<u>384,702</u>

As at 31 July 2019, bank deposits in savings accounts carried interests between 0.10 and 1.38 percent per annum (2018: between 0.10 and 1.50 percent per annum).

8. Current investments

8.1 As at 31 July 2019 and 2018, current investments consisted of the following:

	(Unit: Thousand Baht)			
	Investments		Interest rate	
	(percent per annum)			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Fixed deposits at financial institutions (6 - 12 months)	170,000	470,000	1.70 - 1.85	1.40 - 1.75
Investments in trading securities - fair value (Note 8.2)	<u>251,942</u>	<u>247,930</u>		
Total current investments	<u>421,942</u>	<u>717,930</u>		

8.2 Movements in the investments in trading securities for the years ended 31 July 2019 and 2018 are summarised below.

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Net balance at beginning of the year	247,930	50,106
Cash paid for current investments in trading securities during the year - at cost	-	195,000
Gain on change in value	<u>4,012</u>	<u>2,824</u>
Net balance at end of the year	<u>251,942</u>	<u>247,930</u>

9. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	2	3
Past due		
Up to 3 months	<u>2</u>	<u>5</u>
Total trade receivables - related parties	<u>4</u>	<u>8</u>

(Unit: Thousand Baht)

	<u>2019</u>	<u>2018</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	78,321	66,571
Past due		
Up to 3 months	53,862	47,110
3 - 6 months	7,056	6,345
6 - 12 months	3,598	2,972
Over 12 months	1,589	2,382
Total trade receivables - unrelated parties	144,426	125,380
Less: Allowance for doubtful accounts	(2,827)	(3,026)
Total trade receivables - unrelated parties - net	141,599	122,354
Total trade receivables - net	141,603	122,362
<u>Other receivables</u>		
Other receivables - related parties	81	111
Other receivables - unrelated parties	5,223	4,725
Accrued interest income	1,027	2,458
Total other receivables	6,331	7,294
Total trade and other receivables - net	147,934	129,656

10. Inventories

(Unit: Thousand Baht)

	<u>2019</u>	<u>2018</u>
Medicines and medical supplies	23,560	26,607
Supplies and others	4,267	4,573
Total	27,827	31,180

11. Long-term deposits at financial institutions

As at 31 July 2019, long-term deposits at financial institutions carried interest rate at 1.95 percent per annum (2018: between 1.70 and 1.90 percent per annum).

12. Property, plant and equipment

(Unit: Thousand Baht)

	Land and land improvements	Buildings and building improvements	Facility systems	Medical accessory equipment	Furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
Cost								
1 August 2017	227,120	431,776	303,439	467,847	140,183	12,698	5,489	1,588,552
Additions	-	-	727	38,409	3,300	1,124	9,391	52,951
Transfer in (transfer out)	-	1,134	392	-	4,458	-	(5,984)	-
Disposals and write-off	-	-	(19)	(6,246)	(2,665)	-	-	(8,930)
31 July 2018	227,120	432,910	304,539	500,010	145,276	13,822	8,896	1,632,573
Additions	-	-	811	32,201	11,537	-	17,048	61,597
Transfer in (transfer out)	-	636	2,252	337	7,434	-	(10,659)	-
Disposals and write-off	-	-	(957)	(6,670)	(1,564)	-	-	(9,191)
31 July 2019	227,120	433,546	306,645	525,878	162,683	13,822	15,285	1,684,979

(Unit: Thousand Baht)

	Land and land improvements	Buildings and building improvements	Facility systems	Medical accessory equipment	Furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
Accumulated depreciation								
1 August 2017	1,873	379,130	259,433	296,978	116,777	10,347	-	1,064,538
Depreciation for the year	78	20,101	10,020	42,812	10,200	870	-	84,081
Depreciation on disposals and write-off	-	-	(15)	(5,833)	(2,334)	-	-	(8,182)
31 July 2018	1,951	399,231	269,438	333,957	124,643	11,217	-	1,140,437
Depreciation for the year	58	10,379	8,243	39,174	10,298	513	-	68,665
Depreciation on disposals and write-off	-	-	(807)	(6,670)	(1,564)	-	-	(9,041)
31 July 2019	2,009	409,610	276,874	366,461	133,377	11,730	-	1,200,061
Net book value								
31 July 2018	225,169	33,679	35,101	166,053	20,633	2,605	8,896	492,136
31 July 2019	225,111	23,936	29,771	159,417	29,306	2,092	15,285	484,918
Depreciation for the year								
2018 (Baht 79.00 million included in cost of hospital operations, and the balance in administrative expenses)								84,081
2019 (Baht 65.22 million included in cost of hospital operations, and the balance in administrative expenses)								68,665

As at 31 July 2019, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 929.54 million (2018: Baht 541.24 million).

13. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 July 2019 and 2018 is presented below.

(Unit: Thousand Baht)

Cost	
1 August 2017	20,245
Additions	527
31 July 2018	<u>20,772</u>
Additions	256
31 July 2019	<u>21,028</u>
Accumulated amortisation	
1 August 2017	15,555
Amortisation for the year	1,226
31 July 2018	<u>16,781</u>
Amortisation for the year	1,061
31 July 2019	<u>17,842</u>
Net book value	
31 July 2018	<u>3,991</u>
31 July 2019	<u>3,186</u>

14. Leasehold rights

(Unit: Thousand Baht)

	31 July 2019	31 July 2018
Cost	668,000	-
Less: Accumulated amortisation	(16,154)	-
Book value - net	<u>651,846</u>	<u>-</u>

The Company entered into a long-term lease agreement for lease of land on which the current operation hospital building was constructed with Thai Red Cross Society. The agreement is for a period of 30 years, from 9 November 2018 to 8 November 2048 with the lease payment of Baht 668 million, being payable in full upon signing the new lease agreement. The Company paid the lease payment of Baht 668 million to the Thai Red Cross Society on 22 February 2019.

15. Trade and other payables

(Unit: Thousand Baht)

	<u>2019</u>	<u>2018</u>
Trade payables - unrelated parties	85,550	86,827
Other payables - unrelated parties	21,535	14,018
Accounts payable - construction and equipment purchase	13,494	13,641
Accrued expenses	35,057	30,414
Total trade and other payables	<u>155,636</u>	<u>144,900</u>

16. Provision for long-term employee benefits

Provision for long-term employee benefits, which are compensations on employees' retirement and long service awards, was as follows:

(Unit: Thousand Baht)

	Retirement benefit plan	Long service award plan	Total
As at 1 August 2017	47,006	6,790	53,796
Current service cost	6,954	1,419	8,373
Interest cost	1,424	220	1,644
Benefits paid during the year	(2,650)	(1,452)	(4,102)
As at 31 July 2018	52,734	6,977	59,711
Current service cost	7,662	1,498	9,160
Past service cost from plan changes	18,125	-	18,125
Interest cost	1,518	250	1,768
Actuarial (gain) loss arising from			
Demographic assumptions changes	2,729	(145)	2,584
Financial assumptions changes	29	94	123
Experience adjustments	(2,520)	(3,916)	(6,436)
Benefits paid during the year	(3,223)	(635)	(3,858)
As at 31 July 2019	<u>77,054</u>	<u>4,123</u>	<u>81,177</u>

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

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Current service cost	9,160	8,373
Past service cost from plan changes	18,125	-
Interest cost	1,768	1,644
Actuarial (Gain) /Losses	(3,967)	-
Total expenses recognised in profit or loss	<u>25,086</u>	<u>10,017</u>
Line items in profit or loss under which such expenses are included		
Cost of hospital operations	17,360	7,393
Administrative expenses	7,726	2,624

The Company expects to pay Baht 4.73 million of long-term employee benefits during the next year (2018: Baht 6.42 million).

As at 31 July 2019, the weighted average duration of the liabilities for long-term employee benefits is 14 years (2018: 23 years).

Key actuarial assumptions used for the valuation are as follows:

	<u>2019</u>	<u>2018</u>
	(% per annum)	(% per annum)
Discount rate	2.27	2.70
Future salary increase rate	4.50	5.00
Staff turnover rate (depending on age of employees)	0.00 - 25.00	0.00 - 14.66

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 July 2019 and 2018 are summarised below.

	(Unit: Million Baht)			
	<u>2019</u>		<u>2018</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(3.9)	4.2	(3.1)	3.1
	<u>Increase 1.0%</u>	<u>Decrease 1.0%</u>	<u>Increase 1.0%</u>	<u>Decrease 1.0%</u>
Future salary increase rate	7.2	(6.3)	7.1	(6.3)
	<u>Increase 10%</u>	<u>Decrease 10%</u>	<u>Increase 10%</u>	<u>Decrease 10%</u>
Staff turnover rate	(4.0)	4.3	(3.9)	4.1

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 18.13 million as a result. The Company reflected the effect of the change by recognising past service costs as expenses in the income statement for the year ended 31 July 2019.

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 profit 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: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Salaries and wages and other employee benefits	565,286	531,743
Cost of doctors' fee	560,107	542,010
Cost of medicines and medical supplies, supplies and others	383,871	376,281
Depreciation and amortisation	85,880	85,307
Service fees for outside treatments	19,962	23,470
General supplies	24,403	17,551
Other expenses	153,914	151,650

19. Income tax

Income tax expenses for the years ended 31 July 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Current income tax:		
Current income tax charge	78,000	83,942
Adjustment in respect of income tax of previous year	-	(2,793)
Deferred tax:		
Relating to origination and reversal of temporary differences	(3,873)	(955)
Income tax expenses reported in the income statements	<u>74,127</u>	<u>80,194</u>

The amount of income tax relating to each component of other comprehensive income for the year ended 31 July 2019 and 2018 are as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Deferred tax on actuarial gain	<u>48</u>	<u>-</u>

The reconciliation between accounting profit and income tax expenses is presented below.

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Accounting profit before tax	<u>391,652</u>	<u>436,256</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	78,330	87,251
Adjustment in respect of income tax of previous year	-	(2,793)
Effects of:		
Non-deductible expenses	39	5
Additional expenses deductions allowed	(4,242)	(4,269)
Total	<u>(4,203)</u>	<u>(4,264)</u>
Income tax expenses reported in the statements of comprehensive income	<u>74,127</u>	<u>80,194</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	31 July 2019	31 July 2018
Deferred tax assets		
Allowance for doubtful accounts	566	605
Provision for long-term employee benefits	16,235	11,942
Accumulated depreciation - equipment	1,649	1,982
Total	<u>18,450</u>	<u>14,529</u>

20. 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.

21. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2017	Annual General Meeting of the shareholders on 16 November 2017	108.0	0.60
Total dividends for 2018		<u>108.0</u>	<u>0.60</u>
Final dividends for 2018	Annual General Meeting of the shareholders on 15 November 2018	108.0	0.60
Total dividends for 2019		<u>108.0</u>	<u>0.60</u>

22. Operating 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. The chief operating decision maker has been identified as executive committee.

The one main reportable operating segment of the Company is the hospital business and the single geographical area of its operation is Thailand. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

For the years ended 31 July 2019 and 2018, the Company has no major customer with revenue of 10 percent or more of its revenues.

23. Provident fund

The Company and its employees have jointly established a provident fund scheme in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 percent of basic salary. The fund is managed by TISCO Asset Management Company Limited and will be paid to the employees upon termination in accordance with the fund rules. During the year ended 31 July 2019, the contributions of Baht 3.84 million (2018: Baht 3.52 million) were recognised as expenses in profit or loss.

24. Commitments and contingent liabilities

24.1 Commitments under service agreements

The Company had total minimum payments to be paid in the future under the service agreements as follows:

	(Unit: Million Baht)	
	As at 31 July	
	<u>2019</u>	<u>2018</u>
Payable:		
In up to 1 year	11.3	8.0
In over 1 year and up to 3 years	1.0	2.2

24.2 Capital Commitments

As at 31 July 2019, the Company had capital commitments of Baht 9.7 million (2018: Baht 6.1 million) in respect of the acquisitions of medical equipment.

24.3 Guarantees

- (a) As at 31 July 2019, the Company had credit facilities with a commercial bank for overdrafts of Baht 21.5 million (2018: Baht 21.5 million) and short-term loans of Baht 10.0 million (2018: Baht 10.0 million) guaranteed by the Company's directors.
- (b) As at 31 July 2019, the Company had outstanding bank guarantees of approximately Baht 8.0 million (2018: Baht 4.8 million) issued by the bank on behalf of the Company in respect of electricity use as required in the normal course of business. These included letters of guarantee amounting to Baht 4.8 million (2018: 4.8 million) to guarantee electricity use and Baht 3.2 million (2018: Nil) to guarantee the payment of Building and Land Tax or Local Development Tax.

25. Financial instruments

25.1 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, long-term deposits at financial institutions, 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 and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures, therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions. However, 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 therefore minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

	As at 31 July 2019					
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 to 5 years				
Financial assets						
Cash and cash equivalents	-	-	262.00	5.72	267.72	0.10 - 1.38
Current investments	170.00	-	251.94	-	421.94	1.70 - 1.85
Trade and other receivables	-	-	-	147.93	147.93	-
Long-term deposits at financial institutions	-	100.00	-	-	100.00	1.95
	<u>170.00</u>	<u>100.00</u>	<u>513.94</u>	<u>153.65</u>	<u>937.59</u>	
Financial liabilities						
Trade and other payables	-	-	-	155.64	155.64	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>155.64</u>	<u>155.64</u>	

(Unit: Million Baht)

	As at 31 July 2018					
	Fixed interest rates			Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 to 5 years	Floating interest rate			
Financial assets						
Cash and cash equivalents	-	-	378.66	6.04	384.70	0.10 - 1.50
Current investments	470.00	-	247.93	-	717.93	1.40 - 1.75
Trade and other receivables	-	-	-	129.66	129.66	-
Long-term deposits at financial institutions	-	100.00	-	-	100.00	1.70 - 1.90
	<u>470.00</u>	<u>100.00</u>	<u>626.59</u>	<u>135.70</u>	<u>1,332.29</u>	
Financial liabilities						
Trade and other payables	-	-	-	144.90	144.90	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>144.90</u>	<u>144.90</u>	

Foreign currency risk

The Company's exposure to foreign currency risk is minimal since the majority of business operations are denominated in Thai Baht.

25.2 Fair value 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 rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

26. Fair values hierarchy

As of 31 July 2019 and 2018, the Company had the assets that were measured at fair value as follows:

	(Unit: Million Baht)			
	2019		2018	
	Level 2	Total	Level 2	Total
Investment in securities held for trading				
Debt instruments	251.9	251.9	247.9	247.9

Valuation techniques and inputs to Level 2 valuation

The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

During the current year, there were no transfers within the fair value hierarchy.

27. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholders value. As at 31 July 2019, the Company's debt-to-equity ratio was 0.20:1 (2018: 0.20:1).

28. Event after the reporting period

On 12 September 2019, the Meeting of the Board of Directors of the Company passed a resolution approving the dividend payment for the year 2019 to the Company's shareholders at Baht 0.55 per share or a total of Baht 99 million. The payment of dividend will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 12 September 2019.