After You Public Company Limited and its subsidiaries
Report and financial statements
31 December 2018

Building a better working world

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Independent Auditor's Report

To the Shareholders of After You Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of After You Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of After You Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of After You Public Company Limited and its subsidiaries and of After You Public Company Limited as at 31 December 2018, and their 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 Group 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 for are described below.

Revenue recognition

The Company operates business of food and beverage outlets in many branches. Its main revenues are generated from cash sales of foods and beverages (represents approximately 99% of total revenues from sales). Thus, revenues from sales are significant to the financial statements. In addition, the Company has launched a customer loyalty program for registered members, under which customers earn points when making purchases of foods and beverages in specified amounts and can redeem these for gifts in accordance with the conditions set by the Company. The fair value of accumulated points determined based on the estimated customer redemption is presented as a deduction against revenues from sales and recognised as revenues when the customers redeem the points for gifts. The estimation of the fair value of such accumulated points requires the exercise of judgement. There is therefore a risk with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's internal controls with respect to the revenue and cash receipt cycles by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Observing the operations of the internal controls at selected branches.
- On a sampling basis, examining supporting documents for actual sale and cash receipt transactions occurring during the year and near the end of the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sale transactions throughout the period, particularly for accounting entries made through journal vouchers.
- Assessing the fair value of accumulated points, estimated based on customer redemption, and testing the calculation.

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Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group 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 Group, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements: I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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.

Sumalee Reewarabandith.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

EY Office Limited
Bangkok: 26 February 2019

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After You Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	*7*	62,545,165	48,635,122	55,968,427	44,413,134
Current investments	*8*	402,645,626	463,346,053	402,645,626	463,346,053
Trade and other receivables	*6, 9*	13,724,709	11,100,917	18,075,957	15,166,154
Inventories	*10*	33,721,795	24,486,225	34,367,398	25,066,049
Other current assets	*11*	9,575,060	5,164,638	9,554,408	5,162,916
Total current assets		522,212,355	552,732,955	520,611,816	553,154,306
Non-current assets					
Restricted bank deposits	*12*	3,480,620	400,000	3,480,620	400,000
Investments in subsidiaries	*13*	-	-	1,999,433	999,700
Property, plant and equipment	*14*	504,903,540	436,796,921	504,822,604	436,761,649
Intangible assets	*15*	17,675,478	12,555,752	17,675,478	12,555,752
Advances for acquisition of assets		12,565,508	-	12,565,508	-
Rental deposits		32,290,427	28,379,649	32,290,427	28,379,649
Deferred tax assets	*24*	4,293,107	2,947,198	4,293,107	2,947,198
Total non-current assets		575,208,680	481,079,520	577,127,177	482,043,948
Total assets		1,097,421,035	1,033,812,475	1,097,738,993	1,035,198,254

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

After You Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	*6, 16*	82,480,608	59,381,285	83,607,667	61,807,965
Current portion of liabilities under finance lease agreements	*17*	154,977	232,704	154,977	232,704
Income tax payable		19,436,076	15,143,298	18,984,431	14,696,772
Other current liabilities	*18*	14,342,365	8,613,119	14,188,865	8,491,342
Total current liabilities		116,414,026	83,370,406	116,935,940	85,228,783
Non-current liabilities					
Liabilities under finance lease agreements	*17*	-	154,968	-	154,968
Provision for decommissioning	*19*	10,595,612	9,119,457	10,595,612	9,119,457
Provision for long-term employee benefits	*20*	9,309,457	6,346,910	9,309,457	6,346,910
Other non-current liabilities		4,001,778	2,522,737	4,001,178	2,522,437
Total non-current liabilities		23,906,847	18,144,072	23,906,247	18,143,772
Total liabilities		140,320,873	101,514,478	140,842,187	103,372,555
Shareholders' equity					
Share capital	*21*				
Registered					
815,625,000 ordinary shares of Baht 0.10 each		81,562,500	81,562,500	81,562,500	81,562,500
Issued and paid-up					
815,623,561 ordinary shares of Baht 0.10 each		81,562,356	81,562,356	81,562,356	81,562,356
Premium on ordinary shares		709,575,820	709,575,820	709,575,820	709,575,820
Retained earnings					
Appropriated - Statutory reserve	*22*	8,156,250	8,156,250	8,156,250	8,156,250
Unappropriated		157,805,736	133,003,571	157,602,380	132,531,273
Total shareholders' equity		957,100,162	932,297,997	956,896,806	931,825,699
Total liabilities and shareholders' equity		1,097,421,035	1,033,812,475	1,097,738,993	1,035,198,254
		-	-	-	-

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

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Directors

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After You Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues					
Sales		871,088,755	723,963,348	871,088,755	723,963,348
Dividend income		-	-	3,798,860	3,998,800
Other income		9,641,194	11,417,049	9,677,246	11,495,801
Total revenues		880,729,949	735,380,397	884,564,861	739,457,949
Expenses					
Cost of sales		288,971,535	244,334,351	293,965,477	249,294,491
Selling and distribution expenses		271,023,275	227,519,463	271,023,275	227,519,463
Administrative expenses		140,410,216	106,091,531	139,943,230	105,879,341
Total expenses		700,405,026	577,945,345	704,931,982	582,693,295
Profit before finance cost and income tax expenses		180,324,923	157,435,052	179,632,879	156,764,654
Finance cost		(230,787)	(635,986)	(230,787)	(635,986)
Profit before income tax expenses		180,094,136	156,799,066	179,402,092	156,128,668
Income tax expenses	*24*	(32,668,320)	(27,896,004)	(31,708,474)	(26,949,477)
Profit for the year		147,425,816	128,903,062	147,693,618	129,179,191
Other comprehensive income:					
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
Actuarial losses, net of income tax		(279,808)	-	(279,808)	-
Total comprehensive income for the year		147,146,008	128,903,062	147,413,810	129,179,191
Earnings per share	*25*				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.18	0.16	0.18	0.16
					(Unit: Share)
Weighted average number of ordinary shares		815,623,561	815,623,561	815,623,561	815,623,561

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

After You Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before tax	180,094,136	156,799,066	179,402,092	156,128,668
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities				
Depreciation and amortisation	56,527,511	38,583,156	56,513,976	38,572,778
Allowance for diminution in value of inventories (reversal)	(282,115)	579,973	(282,115)	579,973
Write-off obsolete inventories	416,840	213,501	416,840	213,501
Gain on a bargain purchase of investment in a subsidiary	(84,771)	-	-	-
Unrealised loss (gain) on changes in value of investments				
in securities held for trading	1,381,745	(2,062,483)	1,381,745	(2,062,483)
Gain on sales of investments in securities held for trading	(4,876,940)	(1,268,570)	(4,876,940)	(1,268,570)
Loss on sale of equipment	1,092,596	91,678	1,092,596	91,678
Write-off equipment	4,451,152	701,842	4,451,152	701,842
Allowance for impairment loss on computer software (reversal)	(780,391)	780,391	(780,391)	780,391
Write-off computer software	777,554	-	777,554	-
Write-off rental deposits	-	252,000	-	252,000
Loss on decommissioning of assets	209,129	-	209,129	-
Provision for long-term employee benefits	3,758,596	2,200,600	3,758,596	2,200,600
Dividend income	-	-	(3,798,860)	(3,998,800)
Interest income	(2,249,515)	(3,841,398)	(2,231,337)	(3,826,651)
Finance costs	230,787	241,396	230,787	241,396
Profit from operating activities before				
changes in operating assets and liabilities	240,666,314	193,271,152	236,264,824	188,606,323
Operating assets (increase) decrease				
Trade and other receivables	(2,927,297)	(3,282,235)	(3,413,248)	(3,324,488)
Inventories	(9,370,295)	(3,704,015)	(9,436,074)	(3,675,154)
Other current assets	(4,363,054)	2,453,506	(4,344,410)	2,453,506
Rental deposits	(3,910,778)	(6,566,626)	(3,910,778)	(6,566,626)
Other non-current assets	-	699,412	-	699,412
Operating liabilities increase (decrease)				
Trade and other payables	10,876,842	(4,112,579)	9,577,771	(5,455,317)
Other current liabilities	5,729,246	(7,974,889)	5,697,523	(8,024,953)
Other non-current liabilities	1,478,741	(1,395,764)	1,478,741	(1,395,764)
Cash flows from operating activities	238,179,719	169,387,962	231,914,349	163,316,939
Interest received	2,553,020	3,291,043	2,534,842	3,276,297
Interest paid	-	(253,044)	-	(253,044)
Cash paid for decommissioning of assets	(410,500)	(52,051)	(410,500)	(52,051)
Cash paid for long-term employee benefits	(1,145,809)	(515,821)	(1,145,809)	(515,821)
Cash paid for income tax	(29,698,867)	(23,833,902)	(28,743,854)	(22,594,868)
Net cash flows from operating activities	209,477,563	148,024,187	204,149,028	143,177,452

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

After You Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Acquisition of investments in securities held for trading and held-to-maturity investments	(656,204,378)	(670,015,000)	(656,204,378)	(670,015,000)
Proceed from sales of investments in securities held for trading and held-to-maturity investments	720,400,000	210,000,000	720,400,000	210,000,000
Increase in restricted bank deposit	(3,080,620)	(200,000)	(3,080,620)	(200,000)
Net cash from (paid for) investments in subsidiaries	85,681	-	(999,733)	-
Acquisition of land, buildings and equipment	(106,237,261)	(151,759,629)	(106,178,062)	(151,759,629)
Acquisition of computer software	(7,600,976)	(4,437,180)	(7,600,976)	(4,437,180)
Advances paid for acquisition of assets	(20,431,617)	(39,336,684)	(20,431,617)	(39,336,684)
Proceed from sale of equipment	55,426	134,327	55,426	134,327
Dividend received	-	-	3,998,800	4,000,000
Net cash flows used in investing activities	(73,013,745)	(655,614,166)	(70,041,160)	(651,614,166)
Cash flows from financing activities				
Decrease in liabilities under finance lease agreements	(246,956)	(425,821)	(246,956)	(425,821)
Repayment of long-term loans from banks	-	(66,312,098)	-	(66,312,098)
Dividend paid	(122,306,819)	(5,435,153)	(122,305,619)	(5,435,153)
Net cash flows used in financing activities	(122,553,775)	(72,173,072)	(122,552,575)	(72,173,072)
Net increase (decrease) in cash and cash equivalents	13,910,043	(579,763,051)	11,555,293	(580,609,786)
Cash and cash equivalents at beginning of year	48,635,122	628,398,173	44,413,134	625,022,920
Cash and cash equivalents at end of year	62,545,165	48,635,122	55,968,427	44,413,134
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Transfer other current assets to advances for acquisition of assets account	-	(152,500)	-	(152,500)
Transfer advances for acquisition of assets to buildings and equipment accounts	7,866,109	38,205,934	7,866,109	38,205,934
Transfer advances for acquisition of assets to to computer software account	-	6,797,250	-	6,797,250
Increase (decrease) in payables for construction and purchase of equipment	12,184,847	(108,122)	12,184,847	(108,122)
Actuarial losses	349,760	-	349,760	-
Dividend receivable from a subsidiary	-	-	3,798,860	3,998,800
Increase in dividend payable	37,024	3,637	37,084	2,437

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

After You Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

		Consolidated financial statements				
		Issued and		Retained earnings		
		paid-up	Premium on	Appropriated -		
	Note	share capital	ordinary shares	statutory reserve	Unappropriated	Total
Balance as at 1 January 2017		72,500,000	709,575,820	7,250,000	19,507,905	808,833,725
Profit for the year		-	-	-	128,903,062	128,903,062
Total comprehensive income for the year		-	-	-	128,903,062	128,903,062
Stock dividend	*21, 28*	9,062,356	-	-	-	9,062,356
Dividend paid	*28*	-	-	-	(14,501,146)	(14,501,146)
Transferred unappropriated retained earnings						
to statutory reserve	*22*	-	-	906,250	(906,250)	-
Balance as at 31 December 2017		81,562,356	709,575,820	8,156,250	133,003,571	932,297,997
Balance as at 1 January 2018		81,562,356	709,575,820	8,156,250	133,003,571	932,297,997
Profit for the year		-	-	-	147,425,816	147,425,816
Other comprehensive income for the year		-	-	-	(279,808)	(279,808)
Total comprehensive income for the year		-	-	-	147,146,008	147,146,008
Dividend paid	*28*	-	-	-	(122,343,843)	(122,343,843)
Balance as at 31 December 2018		81,562,356	709,575,820	8,156,250	157,805,736	957,100,162
		-	-	-	-	-
		-	-	-	-	-

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

After You Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

		Separate financial statements				
		Issued and		Retained earnings		
		paid-up	Premium on	Appropriated -		
	Note	share capital	ordinary shares	statutory reserve	Unappropriated	Total
Balance as at 1 January 2017		72,500,000	709,575,820	7,250,000	18,758,278	808,084,098
Profit for the year		-	-	-	129,179,191	129,179,191
Total comprehensive income for the year		-	-	-	129,179,191	129,179,191
Stock dividend	*21, 28*	9,062,356	-	-	-	9,062,356
Dividend paid	*28*	-	-	-	(14,499,946)	(14,499,946)
Transferred unappropriated retained earnings						
to statutory reserve	*22*	-	-	906,250	(906,250)	-
Balance as at 31 December 2017		81,562,356	709,575,820	8,156,250	132,531,273	931,825,699
Balance as at 1 January 2018		81,562,356	709,575,820	8,156,250	132,531,273	931,825,699
Profit for the year		-	-	-	147,693,618	147,693,618
Other comprehensive income for the year		-	-	-	(279,808)	(279,808)
Total comprehensive income for the year		-	-	-	147,413,810	147,413,810
Dividend paid	*28*	-	-	-	(122,342,703)	(122,342,703)
Balance as at 31 December 2018		81,562,356	709,575,820	8,156,250	157,602,380	956,896,806
		-	-	-	-	-
		-	-	-	-	-

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

After You Public Company Limited and its subsidiaries
Notes to financial statements
For the year ended 31 December 2018

1. General information

After You Public Company Limited ("the Company") is a public limited company incorporated and domiciled in Thailand. The Company is principally engaged in operation of food and beverage outlets. The registered address of the Company, which is its head office, is at 1319/9 Pattanakarn, Suanluang, Suanluang, Bangkok. Its factory is located at 30/106 Moo1, Tumbon Kokkham, Amphur Muang Samut Sakorn, Samut Sakorn.

As at 31 December 2018, the Company has 32 branches (2017: 27 branches) in Bangkok, Samutprakan, Pathumthani, Nonthaburi, Nakhon Ratchasima, Chiang Mai, Udon Thani and Chonburi.

2. Basis of financial statement preparation

2.1 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.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of After You Public Company Limited and its subsidiaries (hereinafter called "the Group") as the following.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			(%)	(%)
Aurum and Aurum Company Limited	Distribution of bakery products and equipment	Thailand	100	100
M&M 2007 Company Limited	Not yet operated	Thailand	100	-
After You Hong Kong Limited	Not yet operated	Hong kong Special Administrative Region of the People's Republic of China	100	-

b) The Company is deemed to have control over an investee or a subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) A subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investment in a subsidiary under the cost method.

3. New financial reporting standards

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

During the year, the Group 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 clarications directed towards of disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. 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 Group believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard invoices changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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.

The management of the Group believes that this standard will not have any significant impact on the financial statements when it is initially applied.

c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which 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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

This mainly represents revenues from sales of foods and beverages through the dessert cafe which are recognised upon goods being delivered. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Customer loyalty program

The Company has launched a customer loyalty program for registered members, under which the customers earn points when making purchases of foods and beverages at the specified amount. The points can be redeemed for gifts in accordance with the conditions set by the Company.

The fair value of accumulated points is determined based on the cost of redeemed gifts. The Company records such fair value based on the estimated customer redemption as a deduction against revenues from sales of foods and beverages and as unearned revenues. Revenues are recognised when the customers redeem the points for gifts.

The fair value of unredeemed accumulated points is recognised as revenues when the redemption period expires.

Interest income

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Trade 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.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost.

Products purchased for sales, raw materials and supplies are valued at the lower of cost (first-in, first-out method) and net realisable value, and are charged to production costs whenever consumed.

4.5 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

b) Investments in debt securities expected to be held to maturity are recorded at amortised cost. The premium/discount on debt securities is presented as interest income.

c) Investment in subsidiary, presented in the separate financial statements, is stated at cost less allowance for loss on impairment (if any).

The fair value of unit trusts is determined from their net asset value. The fair value of debt instruments is determined based on yield rates quoted by the issuer of debt instruments.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). The costs comprise any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating and decommissioning costs obligation associated with a consequence of having used the assets.

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

Buildings and building improvement	5, 10 and 30	years
Utility systems	5 and 10	years
Kitchenware and appliances	5 and 10	years
Furniture and office equipment	5 and 10	years
Motor vehicles	5 and 8	years

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 stated at cost less accumulated amortisation and allowance for loss on impairment of assets (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 estimated useful lives of computer software are 5 years.

The amortisation expense is calculated on the straight-line basis over the estimated useful lives and charged to profit or loss. No amortisation is provided on computer software under installation.

4.8 Related party transactions

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

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

4.9 Long-term leases

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

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

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group'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 rate are included in determining income.

4.11 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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 Group 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 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 benefit plans and other long-term employee benefits

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

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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

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.

4.13 Provisions

Provisions are recognised when the Group 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.

4.14 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 Group 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 Group 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 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 Group 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 Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Property plant and equipment/Depreciation

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

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

Provision for decommissioning

The Group is obligated to remove decoration and fixtures and restore the rental spaces before returning them to the lessors at the end of the rental agreements. The Group records a provision for decommissioning whenever it is highly probable that an obligation will arise as a result of a past event and the amount of the obligation can be reliably estimated. In estimating of decommissioning costs, the management exercises judgement in predicting future decommissioning costs, discount rate and economic useful lives of the assets.

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

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

6. Related party transactions

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2018	2017	2018	2017	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Purchase of raw materials	-	-	43,055	41,079	Cost plus margin
Service income	-	-	139	94	Rate stipulated in agreement
Dividend income	-	-	3,799	3,999	As declared
Transactions with related parties					
Purchase of raw materials	1,254	1,590	1,254	1,590	Cost plus margin
Other income	12	30	12	30	Agreed upon basis
Transactions with related persons					
Rental expense	1,635	1,695	1,310	1,575	Rate stipulated in agreement

As at 31 December 2018 and 2017, the balances of the accounts between the Group and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade and other receivables (Note 9)				
Other receivables - related parties				
Advances to subsidiaries	-	-	451	66
Other receivable - a subsidiary	-	-	3,900	3,999
Total	-	-	4,351	4,065

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade and other payables (Note 16)				
Trade payables - related parties				
A subsidiary	-	-	5,868	5,951
A related company	-	27	-	27
Total	-	27	5,868	5,978

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2018	2017
Short-term employee benefits	15,094	13,504
Post-employment benefits	370	341
Other long-term benefits	34	53
Total	15,498	13,898

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	4,321	3,971	4,321	3,971
Bank deposits	58,224	44,664	51,647	40,442
Total	62,545	48,635	55,968	44,413

As at 31 December 2018 and 2017, bank deposits in savings accounts carried interest at rates between 0.10% and 0.40% per annum.

8. Current investments

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2018	2017
Investments in securities held for trading		
Unit trusts - fixed income fund	301,760	261,284
Add: Change in fair value	681	2,062
Total investments in securities held for trading	302,441	263,346
Held-to-maturity investments		
6-month fixed deposits	204	-
12-month fixed deposits	100,000	-
Short-term derivative debentures	-	200,000
Total held-to-maturity investments	100,204	200,000
Total	402,645	463,346

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Past due				
Up to 3 months	12,482	9,417	12,482	9,417
Total trade receivables - unrelated parties	12,482	9,417	12,482	9,417
Other receivables				
Advances to a subsidiary	-	-	451	66
Other receivable - a subsidiary	-	-	3,900	3,999
Other receivables - unrelated parties	1,243	1,684	1,243	1,684
Total other receivables	1,243	1,684	5,594	5,749
Total	13,725	11,101	18,076	15,166

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	8,790	5,997	-	-	8,790	5,997
Work in process	498	314	-	-	498	314
Raw materials	17,140	14,011	(138)	(33)	17,002	13,978
Supplies	7,711	4,863	(279)	(666)	7,432	4,197
Total	34,139	25,185	(417)	(699)	33,722	24,486

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	8,790	5,997	-	-	8,790	5,997
Work in process	498	314	-	-	498	314
Raw materials	17,785	14,591	(138)	(33)	17,647	14,558
Supplies	7,711	4,863	(279)	(666)	7,432	4,197
Total	34,784	25,765	(417)	(699)	34,367	25,066

During the year 2018, the Group reduced cost of inventories by Baht 0.4 million (2017: Baht 1.0 million) (the Company only: Baht 0.4 million and 2017: Baht 1.0 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 0.7 million (2017: Baht 0.4 million) (the Company only: Baht 0.7 million and 2017: Baht 0.4 million), and reduced the amount of inventories recognised as expenses during the year.

11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Prepaid expenses	3,548	3,769	3,544	3,769
Undue input tax	3,401	805	3,385	804
Others	2,626	591	2,625	590
Total	9,575	5,165	9,554	5,163

12. Restricted bank deposit

The balance as at 31 December 2018 represents cash pledged with a bank as collateral to secure branch rental (2017: as collateral to secure credit facilities).

13. Investments in subsidiaries

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

	Paid-up capital		Shareholding percentage		Cost		Dividend income	
Company's name	2018	2017	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Aurum and Aurum Company Limited	1,000	1,000	100	100	1,000	1,000	3,799	3,999
M&M 2007 Company Limited	1,000	-	100	-	1,000	-	-	-
After You Hong Kong Limited	USD 1	-	100	-	Baht 32.50	-	-	-

On 17 May 2018, the Company acquired the ordinary shares of M&M 2007 Company Limited. from existing shareholders who are the shareholders of the Company. This company was incorporated in Thailand with a registered capital of Baht 1,000 thousand. The Company holds 100% interest in this company.

The financial statements of M&M 2007 Company Limited have been included in the consolidated financial statements since the Company gained controlling authority on 17 May 2018 ("acquisition date"). The acquisition cost of investment was Baht 1,000 thousand. The Company assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed in the current year. Fair value of the identifiable assets acquired as at the acquisition date was cash and cash equivalents of Baht 1,085 thousand and the fair value of net assets was Baht 1,085 thousand. The Company recognised gain from bargain purchase of Baht 85 thousand in the consolidated profit or loss for the current year.

On 1 October 2018, the Board of Directors' meeting of the Company approved the establishment of After You Hong Kong Limited. This company was registered in Hong Kong Special Administrative Region of the People's Republic of China on 15 October 2018 with a registered capital of USD 10,000 and paid-up capital of USD 1. The Company holds 100% interest in this company.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Building and building improvement	Utility systems	Kitchenware and appliances	Furniture and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost								
1 January 2017	75,599	92,132	26,972	34,072	83,795	10,025	32,397	354,992
Additions	27,144	4,000	1,247	15,344	18,375	3,899	119,849	189,858
Cost of assets decommissioning	-	-	-	-	2,252	-	-	2,252
Disposals / write-off	-	-	(29)	(1,087)	(2,967)	-	-	(4,083)
Transfer in (out)	-	83,880	22,046	13,820	29,914	-	(149,660)	-
31 December 2017	102,743	180,012	50,236	62,149	131,369	13,924	2,586	543,019
Additions	-	704	1,501	16,095	12,338	2,405	93,245	126,288
Cost of assets decommissioning	-	-	-	-	1,461	-	-	1,461
Disposals / write-off	-	-	(1,028)	(2,118)	(13,810)	-	-	(16,956)
Transfer in (out)	1,000	7,281	8,066	2,085	24,379	-	(42,811)	-
31 December 2018	103,743	187,997	58,775	78,211	155,737	16,329	53,020	653,812
Accumulated depreciation								
1 January 2017	-	3,815	10,129	15,865	39,133	3,056	-	71,998
Depreciation for the year	-	5,678	5,152	7,555	17,486	1,508	-	37,379
Depreciation on disposals / write-off	-	-	(6)	(951)	(2,198)	-	-	(3,155)
Transfer in (out)	-	-	-	(3)	3	-	-	-
31 December 2017	-	9,493	15,275	22,466	54,424	4,564	-	106,222
Depreciation for the year	-	8,163	7,561	10,434	26,004	1,881	-	54,043
Depreciation on disposals / write-off	-	-	(130)	(1,721)	(9,506)	-	-	(11,357)
Transfer in (out)	-	-	-	(862)	862	-	-	-
31 December 2018	-	17,656	22,706	30,317	71,784	6,445	-	148,908
Net book value								
31 December 2017	102,743	170,519	34,961	39,683	76,945	9,360	2,586	436,797
31 December 2018	103,743	170,341	36,069	47,894	83,953	9,884	53,020	504,904

Depreciation for the years

2017 (Baht 11.0 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)	37,379
2018 (Baht 16.7 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)	54,043

(Unit: Thousand Baht)

	Separate financial statements							
	Land	Building and building improvement	Utility systems	Kitchenware and appliances	Furniture and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost								
1 January 2017	75,599	92,132	26,972	34,020	83,795	10,025	32,397	354,940
Additions	27,144	4,000	1,247	15,344	18,375	3,899	119,849	189,858
Cost of assets decommissioning	-	-	-	-	2,252	-	-	2,252
Disposals / write-off	-	-	(29)	(1,087)	(2,967)	-	-	(4,083)
Transfer in (out)	-	83,880	22,046	13,820	29,914	-	(149,660)	-
31 December 2017	102,743	180,012	50,236	62,097	131,369	13,924	2,586	542,967
Additions	-	704	1,501	16,036	12,338	2,405	93,245	126,229
Cost of assets decommissioning	-	-	-	-	1,461	-	-	1,461
Disposals / write-off	-	-	(1,028)	(2,118)	(13,810)	-	-	(16,956)
Transfer in (out)	1,000	7,281	8,066	2,085	24,379	-	(42,811)	-
31 December 2018	103,743	187,997	58,775	78,100	155,737	16,329	53,020	653,701
Accumulated depreciation								
1 January 2017	-	3,815	10,129	15,859	39,133	3,056	-	71,992
Depreciation for the year	-	5,678	5,152	7,544	17,486	1,508	-	37,368
Depreciation on disposals / write-off	-	-	(6)	(951)	(2,198)	-	-	(3,155)
Transfer in (out)	-	-	-	(3)	3	-	-	-
31 December 2017	-	9,493	15,275	22,449	54,424	4,564	-	106,205
Depreciation for the year	-	8,163	7,561	10,421	26,004	1,881	-	54,030
Depreciation on disposals / write-off	-	-	(130)	(1,721)	(9,506)	-	-	(11,357)
Transfer in (out)	-	-	-	(862)	862	-	-	-
31 December 2018	-	17,656	22,706	30,287	71,784	6,445	-	148,878
Net book value								
31 December 2017	102,743	170,519	34,961	39,648	76,945	9,360	2,586	436,762
31 December 2018	103,743	170,341	36,069	47,813	83,953	9,884	53,020	504,823

Depreciation for the years	
2017 (Baht 11.0 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)	37,368
2018 (Baht 16.7 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)	54,030

As at 31 December 2018, the Company had equipment with net book value of Baht 0.5 million (2017: Baht 1.0 million) which were acquired under finance lease agreements.

As at 31 December 2018, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounting to Baht 33.6 million (2017: Baht 34.7 million).

15. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Computer software	Computer software under installation	Total
As at 31 December 2018			
Cost	21,504	-	21,504
Less: Accumulated amortisation	(3,829)	-	(3,829)
Net book value	17,675	-	17,675
As at 31 December 2017			
Cost	9,083	6,797	15,880
Less: Accumulated amortisation	(2,544)	-	(2,544)
Less: Allowance for impairment loss	(780)	-	(780)
Net book value	5,759	6,797	12,556

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2018	2017
Net book value at beginning of year	12,556	3,306
Acquisition	7,601	11,234
Amortisation	(2,484)	(1,204)
Write-off	(778)	-
Decrease (increase) in allowance for impairment loss	780	(780)
Net book value at end of year	17,675	12,556

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separated financial statements	
	2018	2017	2018	2017
Trade payables - related parties	-	27	5,868	5,978
Trade payables - unrelated parties	33,610	23,566	29,150	20,201
Other payables - unrelated parties	11,000	11,959	10,987	11,959
Other payables for construction and purchase of equipment	19,389	7,205	19,389	7,205
Accrued expenses	18,482	16,624	18,214	16,465
Total	82,481	59,381	83,608	61,808

17. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2018	2017
Liabilities under finance lease agreements	158	406
Less: Deferred interest expense	(3)	(18)
Total	155	388
Less: Portion due within one year	(155)	(233)
Portion due more than one year	-	155

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 years and 4 years.

Future minimum lease payments required under the finance lease agreements were as follows.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	As at 31 December 2018		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	158	-	158
Deferred interest expense	(3)	-	(3)
Present value of future minimum lease payments	155	-	155

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	As at 31 December 2017		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	247	159	406
Deferred interest expense	(14)	(4)	(18)
Present value of future minimum lease payments	233	155	388

18. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Unearned revenue - Customer loyalty program	5,000	3,000	5,000	3,000
Unearned revenue - Cash voucher	1,910	1,082	1,910	1,082
Withholding income tax payable	1,058	1,021	1,055	1,009
Value added tax payable	2,668	2,142	2,526	2,033
Social security fund payable	1,148	1,056	1,142	1,055
Others	2,558	312	2,556	312
Total	14,342	8,613	14,189	8,491

19. Provision for decommissioning

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2018	2017
Balance at beginning of year	9,119	6,771
Increase during year	1,461	2,252
Finance cost	217	148
Decrease from actual payment	(201)	(52)
Balance at end of year	10,596	9,119

20. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Provision for post-employment benefits	Provision for other long-term employee benefits	Total
Provision for long-term employee benefits as at 1 January 2017	533	4,129	4,662
Included in profit or loss:			
Current service cost	332	1,771	2,103
Interest cost	16	82	98
Benefit paid during the year	-	(516)	(516)
Provision for long-term employee benefits as at 31 December 2017	881	5,466	6,347
Included in profit or loss:			
Current service cost	430	2,099	2,529
Interest cost	26	110	136
Past service costs and gains or losses on settlement	-	(2,232)	(2,232)
Actuarial (gain) loss arising from			
Demographic assumptions changes	-	(316)	(316)
Financial assumptions changes	-	(508)	(508)
Experience adjustments	-	4,149	4,149
Included in other comprehensive income:			
Actuarial (gain) loss arising from			
Demographic assumptions changes	(54)	-	(54)
Financial assumptions changes	392	-	392
Experience adjustments	12	-	12
Benefit paid during the year	-	(1,146)	(1,146)
Provision for long-term employee benefits as at 31 December 2018	1,687	7,622	9,309

The Company expects to pay Baht 2.2 million (2017: Baht 0.9 million) of long-term employee benefits during the next year.

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefits is 13 years (2017: 10 years).

Significant actuarial assumptions are summarised below.

(Unit: % per annum)

	Consolidated/Separate financial statements	
	2018	2017
Discount rate	1.76 - 4.38	3.01
Salary increase rate	6.00 - 9.00	4.00 - 10.00
Employee turnover rate	0.00 - 50.00	0.00 - 50.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2018 and 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	Increase 1%		Decrease 1%	
	2018	2017	2018	2017
Discount rate	(461)	(295)	536	342
Salary increase rate	308	181	(259)	(149)
	Increase 20%		Decrease 20%	
	2018	2017	2018	2017
Employee turnover rate	(1,791)	(1,647)	2,639	2,614

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days, compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Group has additional liabilities for long-term employee benefits of Baht 0.4 million (The Company only: Baht 0.4 million). The Group will reflect the effect of the change by recognising past services costs as expenses in the profit or loss of the period in which the law is effective.

21. Share capital

On 27 April 2017, the Annual General Meeting of the Company's shareholders for the year 2017 passed a resolution to increase the Company's registered share capital by Baht 9,062,500.00, from the existing registered share capital of Baht 72,500,000.00 to Baht 81,562,500.00, by issuing up to 90,625,000 new ordinary shares with a par value of Baht 0.10, to accommodate the stock dividend payment for the year 2016.

The Company registered the increase in its registered capital with the Ministry of Commerce on 11 May 2017.

Subsequently, the Company paid the stock dividend of 90,623,561 new ordinary shares, as described in Note 28 to the financial statements, increasing the Company's issued and paid-up share capital to Baht 81,562,356.10. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 25 May 2017.

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution. During the year 2017, the Company set aside Baht 0.91 million (2018: Nil) to the statutory reserve. As at 31 December 2018, the statutory reserve has fully been set aside.

23. Expenses by nature

Significant expenses classified by nature are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	244,420	203,821	243,820	203,596
Depreciation	54,043	37,379	54,030	37,368
Amortisation	2,484	1,204	2,484	1,204
Rental expenses from operating lease agreements	80,797	68,480	80,472	68,360
Raw materials and consumables used	229,965	206,237	236,005	211,030
Change in inventories of finished goods and work in process	(2,977)	(886)	(2,977)	(886)

24. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax:				
Income tax charge for the year	33,936	28,673	32,984	27,726
Adjustment in respect of income tax of previous year	8	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,276)	(777)	(1,276)	(777)
Income tax expenses reported in the statement of comprehensive income	32,668	27,896	31,708	26,949

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax on actuarial losses	(69,952)	-	(69,952)	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before tax	180,094	156,799	179,402	156,129
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	36,019	31,360	35,880	31,226
Adjustment in respect of income tax of previous year	8	-	-	-
Tax losses for the year which was unrecognised to deferred tax assets	1	-	-	-
Reversal of previously recognised deferred tax assets	103	-	103	-
Effects of elimination	792	794	-	-
Effects of:				
Non-deductible expenses	494	625	474	606
Additional expense deductions allowed	(3,989)	(4,083)	(3,989)	(4,083)
Exempted revenue	(760)	(800)	(760)	(800)
Income tax expenses reported in the statement of comprehensive income	32,668	27,896	31,708	26,949

The components of deferred tax assets and deferred tax liability as at 31 December 2018 and 2017 are as follows.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2018	2017
Deferred tax assets		
Provision for decommissioning	1,315	986
Provision for long-term employee benefits	1,862	1,269
Unearned revenue - Customer loyalty program	1,000	600
Adjustment of accrued rental expenses under straight-line method	169	105
Allowance for diminution in value of inventories	83	140
Allowance for impairment of computer software	-	156
Others	-	103
Total	4,429	3,359
Deferred tax liability		
Unrealised gain on changes in value of investments in securities held for trading	(136)	(412)
Total	(136)	(412)
Deferred tax assets - net	4,293	2,947

25. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares used to calculate earnings per share for the years ended 31 December 2017 in proportion to the change in the number of ordinary shares as a result of the distribution of the stock dividend of 90,623,561 shares on 11 May 2017 as if the stock dividend had been issued at the beginning of the earliest period reported.

26. 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 Group is principally engaged in operation of food and beverage outlets. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure 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 exclusively to the aforementioned reportable operating segment and geographical area.

For the years 2018 and 2017, the Group has no major customer with revenue of 10% or more of the entity's revenues.

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Tisco Master Pooled Fund, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to Baht 1.5 million (2017: Baht 1.3 million) were recognised as expenses.

28. Dividends

On 27 April 2017, the Annual General Meeting of the Company's shareholders for the year 2017 approved the dividend payment from the results of the Company's business operation for the fiscal year ended 31 December 2016 in the amount of not exceeding Baht 92.9 million. The final dividend payment after deducting the interim dividend payment of Baht 78.4 million paid on 27 December 2016 was in the amount of not exceeding Baht 14.5 million, or at the rate of Baht 0.02 per share. The dividends were paid in stock dividends and cash dividends in May 2017 as follows.

- The Company paid the stock dividends by issuing 90,623,561 newly issued ordinary shares, with a par value of Baht 0.10 per share, to the Company's shareholders, at the ratio of every 8 existing shares for 1 stock dividend, in the total amount of Baht 9,062,356.10, or equivalent to the dividend payment at the rate of Baht 0.0125 per share. Any fractional shares therefrom received cash at the rate of Baht 0.0125 per share in lieu of the stock dividends.
- The Company paid cash dividends at the rate of Baht 0.0075 per share or in the total amount of Baht 5,437,479.75.

On 26 April 2018, the Annual General Meeting of the Company's shareholders for the year 2018 approved the dividend payment from the Company's operating results for the fiscal year ended 31 December 2017 at the rate of Baht 0.15 per share in the total amount of Baht 122.3 million. The dividends were paid in May 2018.

29. Commitments and contingent liabilities

29.1 Capital commitments

As at 31 December 2018, the Group had capital commitments of Baht 85.5 million relating to construction of a new factory, construction of factory expansion, acquisition of equipment and improvement of new branch outlets (2017: Baht 9.0 million, relating to implementation of computer software, acquisition of equipment and improvement of new branch outlets).

29.2 Lease and service agreement commitments

The Group has entered into several operating lease and service agreements relating to the leases of building spaces. The terms of the agreements are generally between 1 to 3 years.

As at 31 December 2018 and 2017, future minimum payments required under the above contracts are as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
Payable	2018	2017	2018	2017
In up to 1 year	75.3	62.7	74.8	62.7
In over 1 year and up to 3 years	65.5	60.6	65.5	60.6

29.3 Commitment under purchase of raw material agreements

The Company entered into memorandum and agreements to purchase raw materials from several unrelated companies, at prices and per conditions as stipulated in the memorandum and agreements. The terms of the memorandum and agreements are between 1 to 3 years.

29.4 Guarantees

As at 31 December 2018, there were outstanding bank guarantees issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 1.6 million (2017: Baht 0.2 million) to guarantee payments due to creditors.

30. Fair value hierarchy

The Group had the following assets those were measured or disclosed at fair value as level 2 (The fair values were measured or disclosed using other observable inputs for such assets, whether directly or indirectly.

(Unit: Thousand Baht)

	Consolidated/separate financial statements	
	31 December 2018	31 December 2017
Assets measured at fair value		
Investments in securities held for trading		
Unit trusts - fixed income fund	302,441	263,346
Assets for which fair value are disclosed		
Investments in debt securities expected to be held to maturity		
Short-term derivative debentures	-	200,742

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

31. Financial instruments

31.1 Financial risk management

The Group'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, and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk with respect to trade and other receivables in low level because sales are mostly cash sales. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks and investments in debt securities. Most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2018					
	Fixed interest rates					
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	57.8	4.8	62.6	0.10 - 0.40
Current investments	100.2	-	-	302.4	402.6	1.05 - 1.70
Trade and other receivables	-	-	-	13.7	13.7	-
Restricted bank deposit	-	-	3.5	-	3.5	0.37
	100.2	-	61.3	320.9	482.4	
Financial liabilities						
Trade and other payables	-	-	-	82.5	82.5	-
Liabilities under finance lease agreements	0.2	-	-	-	0.2	5.30 - 5.70
	0.2	-	-	82.5	82.7	

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2017					
	Fixed interest rates					
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	44.4	4.2	48.6	0.10 - 0.40
Current investments	200.0	-	-	263.3	463.3	1.40
Trade and other receivables	0.4	-	-	10.7	11.1	0.50
Restricted bank deposit	-	-	0.4	-	0.4	1.05
	200.4	-	44.8	278.2	523.4	
Financial liabilities						
Trade and other payables	-	-	-	59.4	59.4	-
Liabilities under finance lease agreements	0.2	0.2	-	-	0.4	5.30 - 5.70
	0.2	0.2	-	59.4	59.8	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2018					
	Fixed interest rates					
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	51.3	4.7	56.0	0.10 - 0.40
Current investments	100.2	-	-	302.4	402.6	1.05 - 1.70
Trade and other receivables	-	-	-	18.1	18.1	-
Restricted bank deposit	-	-	3.5	-	3.5	0.37
	100.2	-	54.8	325.2	480.2	
Financial liabilities						
Trade and other payables	-	-	-	83.6	83.6	-
Liabilities under finance lease agreements	0.2	-	-	-	0.2	5.30 - 5.70
	0.2	-	-	83.6	83.8	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2017					
	Fixed interest rates					
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	40.2	4.2	44.4	0.10 - 0.40
Current investments	200.0	-	-	263.3	463.3	1.40
Trade and other receivables	0.4	-	-	14.8	15.2	0.50
Restricted bank deposit	-	-	0.4	-	0.4	1.05
	200.4	-	40.6	282.3	523.3	
Financial liabilities						
Trade and other payables	-	-	-	61.8	61.8	-
Liabilities under finance lease agreements	0.2	0.2	-	-	0.4	5.30 - 5.70
	0.2	0.2	-	61.8	62.2	

31.2 Fair values of financial instruments

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

32. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 0.1:1 (2017: 0.1:1) and the Company's was 0.1:1 (2017: 0.1:1).

33. Events after the reporting period

On 26 February 2019, a meeting of the Company's Board of Directors passed a resolution approving to propose that the Annual General Meeting of Shareholders to be held in April 2019 adopt a resolution to pay a dividend of Baht 0.19 per share, or a total of Baht 155 million, to the shareholders in respect of the 2018 profit. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 26 February 2019.