The Post Publishing Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2011

Report of Independent Auditor

To the Shareholders of The Post Publishing Public Company Limited

I have audited the accompanying consolidated statement of financial position of The Post Publishing Public Company Limited and its subsidiaries as at 31 December 2011, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended; and have also audited the separate financial statements of The Post Publishing Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements and the separate financial statements of the Post Publishing Public Company Limited as at 31 December 2010 and for the year then ended, as presented herein for comparative purposes, were audited in accordance with generally accepted auditing standards by another auditor of our firm who, under her report dated 11 February 2011, expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Post Publishing Public Company Limited and its subsidiaries and of The Post Publishing Public Company Limited as at 31 December 2011, and the results of their operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 3 to the financial statements. During the current year, the Company adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of its financial statements.

Narong Puntawong
Certified Public Accountant (Thailand) No. 3315

Ernst & Young Office Limited
Bangkok: 13 February 2012

The Post Publishing Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Assets					
Current assets					
Cash and cash equivalents	*7*	64,310,766	60,513,805	8,340,382	6,744,761
Trade and other receivables	*8*	457,730,452	434,363,101	328,463,539	320,608,005
Inventories	*10*	120,973,227	98,431,621	114,456,808	94,988,365
Deferred right to use equipment	*11*	-	2,566,703	-	-
Prepaid corporate income tax		46,897,061	38,262,213	41,722,716	36,027,220
Other current assets		22,297,476	16,901,862	17,488,958	13,368,657
Total current assets		712,208,982	651,039,305	510,472,403	471,737,008
Non-current assets					
Long-term loans to related parties	*9*	-	-	6,120,000	6,120,000
Investments in subsidiaries	*12*	-	-	106,017,450	106,017,450
Investment in associate	*13*	-	-	-	-
Other long-term investment	*14*	16,124	16,124	16,124	16,124
Property, plant and equipment	*15*	933,802,640	1,003,526,299	923,100,331	995,782,430
Goodwill	*12*	53,769,227	53,769,227	-	-
Other intangible assets - computer software	*16*	106,189,657	108,366,596	104,131,698	107,346,765
Deferred tax assets	*26*	53,531,950	62,109,058	43,768,473	46,143,935
Other non-current assets		8,536,696	1,520,238	2,173,728	335,141
Total non-current assets		1,155,846,294	1,229,307,542	1,185,327,804	1,261,761,845
Total assets		1,868,055,276	1,880,346,847	1,695,800,207	1,733,498,853

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

The Post Publishing Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	*17*	50,581,560	575,000,000	30,581,560	555,000,000
Trade and other payables	*18*	300,636,694	202,917,522	256,919,080	163,803,674
Current portion of long-term loans	*20*	122,500,000	80,000,000	122,500,000	80,000,000
Current portion of liabilities under finance lease agreements	*21*	1,014,748	-	1,014,748	-
Short-term loans from related party	*9*	-	-	6,000,000	-
Income tax payable		10,193,737	8,045,681	-	-
Unearned subscription fee		69,561,328	73,426,373	62,497,370	69,111,202
Other current liabilities		87,114,540	76,703,596	72,306,887	59,067,648
Total current liabilities		641,602,607	1,016,093,172	551,819,645	926,982,524
Non-current liabilities					
Long-term loan from non-controlling interests of the subsidiary	*19*	5,880,000	5,880,000	-	-
Long-term loans, net of current portion	*20*	350,000,000	22,500,000	350,000,000	22,500,000
Liabilities under finance lease agreements - net of current portion	*21*	3,860,952	-	3,860,952	-
Provision for long-term employee benefits	*22*	71,525,294	-	70,090,979	-
Total non-current liabilities		431,266,246	28,380,000	423,951,931	22,500,000
Total liabilities		1,072,868,853	1,044,473,172	975,771,576	949,482,524

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

The Post Publishing Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Shareholders' equity					
Share capital					
Registered					
505,000,000 ordinary shares of Baht 1 each		505,000,000	505,000,000	505,000,000	505,000,000
Issued and fully paid up					
500,000,000 ordinary shares of Baht 1 each		500,000,000	500,000,000	500,000,000	500,000,000
Retained earnings					
Appropriated - statutory reserve	*23*	50,500,000	50,500,000	50,500,000	50,500,000
Unappropriated		241,210,063	285,373,675	169,528,631	233,516,329
Other components of shareholders' equity		-	-	-	-
Equity attributable to owners of the Company		791,710,063	835,873,675	720,028,631	784,016,329
Non-controlling interests of the subsidiary		3,476,360	-	-	-
Total shareholders' equity		795,186,423	835,873,675	720,028,631	784,016,329
Total liabilities and shareholders' equity		1,868,055,276	1,880,346,847	1,695,800,207	1,733,498,853
		-	-	-	-

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

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Directors

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The Post Publishing Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Profit or loss:					
Revenues					
Sales and service income	*24*	1,963,293,444	1,815,112,813	1,563,478,000	1,523,392,142
Costs of sales and services		(1,332,797,339)	(1,265,079,766)	(1,116,976,156)	(1,087,735,991)
Gross profit		630,496,105	550,033,047	446,501,844	435,656,151
Selling expenses		(268,152,526)	(235,981,352)	(228,291,582)	(219,615,554)
Administrative expenses		(261,708,735)	(230,592,667)	(200,021,161)	(180,164,084)
Income from sales and rendering of services		100,634,844	83,459,028	18,189,101	35,876,513
Other income					
Dividend income from subsidiary	*12*	-	-	34,900,000	28,000,000
Reversal of allowance for loss from loan to associate	*9*	360,000	960,000	360,000	960,000
Gain on disposal of equipment		491,118	9,549,512	491,118	9,552,414
Others		30,334,830	24,892,692	22,514,936	22,067,875
Profit before finance cost and income tax		131,820,792	118,861,232	76,455,155	96,456,802
Finance cost		(24,632,188)	(22,133,616)	(23,076,443)	(21,803,973)
Profit before income tax		107,188,604	96,727,616	53,378,712	74,652,829
Income tax	*26*	(53,126,604)	(18,419,783)	(23,372,746)	(4,174,257)
Profit for the year		54,062,000	78,307,833	30,005,966	70,478,572
Other comprehensive income:		-	-	-	-
Total comprehensive income for the year		54,062,000	78,307,833	30,005,966	70,478,572
Profit attributable to:					
Equity holders of the Company		50,585,640	83,207,833	30,005,966	70,478,572
Non-controlling interests of the subsidiary		3,476,360	(4,900,000)		
		54,062,000	78,307,833		
Total comprehensive income attributable to:					
Equity holders of the Company		50,585,640	83,207,833	30,005,966	70,478,572
Non-controlling interests of the subsidiary		3,476,360	(4,900,000)		
		54,062,000	78,307,833		
Earnings per share	*27*				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.10	0.17	0.06	0.14

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

The Post Publishing Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements					
	Equity attributable to the owners of the Company					
				Total	Equity	
	Ordinary shares -	Retained earnings		equity attributable	attributable to	
	issued and	Appropriated -		to the owners	non-controlling interests	Total
	fully paid	statutory reserve	Unappropriated	of the Company	of the subsidiary	shareholders' equity
Balance as at 31 December 2009	500,000,000	50,500,000	227,165,842	777,665,842	-	777,665,842
Total comprehensive income for the year	-	-	83,207,833	83,207,833	(4,900,000)	78,307,833
Investments by non-controlling interests	-	-	-	-	4,900,000	4,900,000
Dividened paid (Note 30)	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
Balance as at 31 December 2010	500,000,000	50,500,000	285,373,675	835,873,675	-	835,873,675
Balance as at 31 December 2010	500,000,000	50,500,000	285,373,675	835,873,675	-	835,873,675
Cumulative effect of the change in accounting policy for						
employee benefits (Note 3)	-	-	(49,749,252)	(49,749,252)	-	(49,749,252)
Total comprehensive income for the year	-	-	50,585,640	50,585,640	3,476,360	54,062,000
Dividened paid (Note 30)	-	-	(45,000,000)	(45,000,000)	-	(45,000,000)
Balance as at 31 December 2011	500,000,000	50,500,000	241,210,063	791,710,063	3,476,360	795,186,423
						-

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

The Post Publishing Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Separate financial statements			
	Ordinary shares -	Retained earnings		
	issued and	Appropriated -		Total
	fully paid	statutory reserve	Unappropriated	shareholders' equity
Balance as at 31 December 2009	500,000,000	50,500,000	188,037,757	738,537,757
Total comprehensive income for the year	-	-	70,478,572	70,478,572
Dividened paid (Note 30)	-	-	(25,000,000)	(25,000,000)
Balance as at 31 December 2010	500,000,000	50,500,000	233,516,329	784,016,329
Balance as at 31 December 2010	500,000,000	50,500,000	233,516,329	784,016,329
Cumulative effect of the change in accounting policy for				
employee benefits (Note 3)	-	-	(48,993,664)	(48,993,664)
Total comprehensive income for the year	-	-	30,005,966	30,005,966
Dividened paid (Note 30)	-	-	(45,000,000)	(45,000,000)
Balance as at 31 December 2011	500,000,000	50,500,000	169,528,631	720,028,631
				-

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

The Post Publishing Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before tax	107,188,604	96,727,616	53,378,712	74,652,829
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Allowance for doubtful debts	6,680,449	2,513,543	1,922,573	2,585,551
Reversal of allowance for sales returns	(2,935,394)	(631,015)	(2,935,394)	(631,015)
Allowance to reduce cost to net realisable value	5,303,893	5,492,631	5,093,939	3,473,256
Reversal of provision for loss on loan to associate	(360,000)	(960,000)	(360,000)	(960,000)
Dividend income from subsidiary	-	-	(34,900,000)	(28,000,000)
Depreciation and amortisation	143,990,947	138,012,092	131,379,126	131,692,460
Gain on disposal of equipment	(491,118)	(9,549,512)	(491,118)	(9,552,414)
Reversal of allowance for impairment of computer software	(1,116,738)	(1,116,738)	(1,116,738)	(1,116,738)
Provision for long-term employee benefits	6,382,092	-	6,007,719	-
Interest expenses	24,632,188	22,133,616	23,076,443	21,803,973
Profit from operating activities before changes				
in operating assets and liabilities	289,274,923	252,622,233	181,055,262	193,947,902
Operating assets (increase) decrease				
Trade and other receivables	(27,112,405)	(95,856,998)	(6,842,713)	(48,581,088)
Inventories	(27,845,499)	(21,088,883)	(24,562,382)	(18,311,955)
Other current assets	12,962,949	1,672,161	12,862,656	(1,181,650)
Other non-current assets	(7,016,458)	(976,524)	(1,838,587)	811,109
Operating liabilities increase (decrease)				
Trade and other payables	93,495,572	38,563,253	89,037,470	29,428,449
Other current liabilities	6,545,899	25,297,114	6,625,407	17,510,741
Other non-current liabilities	(5,907,689)	-	(5,907,689)	-
Cash flows from operating activities	334,397,292	200,232,356	250,429,424	173,623,508
Cash paid for interest expenses	(25,557,596)	(22,934,085)	(24,726,072)	(22,724,349)
Cash paid for corporate income tax	(48,093,213)	(36,652,200)	(22,678,453)	(19,266,559)
Net cash flows from operating activities	260,746,483	140,646,071	203,024,899	131,632,600

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

The Post Publishing Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flow from investing activities				
Dividend received from subsidiary	-	-	34,900,000	28,000,000
Investment in subsidiary	-	-	-	(5,100,000)
Loan to subsidiary	-	-	-	(6,120,000)
Cash received from repayment of loan to associate	360,000	1,440,000	360,000	1,440,000
Proceeds from sales of equipment	491,125	13,115,626	491,125	13,115,626
Cash paid for purchase of right to use equipment	(9,808,165)	(6,883,543)	-	-
Cash paid for purchase of equipment	(33,924,426)	(15,450,011)	(29,841,057)	(9,889,343)
Cash paid for purchase of computer software	(14,541,116)	(26,531,326)	(13,812,406)	(26,377,371)
Net cash flows used in investing activities	(57,422,582)	(34,309,254)	(7,902,338)	(4,931,088)
Cash flows from financing activities				
Bank overdrafts and short-term loans from				
financial institutions (repayment)	(524,418,440)	5,000,000	(524,418,440)	(15,000,000)
Long-term loan from non-controlling interests of the subsidiary	-	5,880,000	-	-
Long-term loans from banks	500,000,000	-	500,000,000	-
Repayment of long-term loans from banks	(130,000,000)	(107,500,000)	(130,000,000)	(107,500,000)
Repayment of liabilities under finance lease agreements	(108,500)	-	(108,500)	-
Increase in loans from subsidiary	-	-	6,000,000	-
Cash investment in subsidiary by				
non-controlling interests of the subsidiary	-	4,900,000	-	-
Dividend paid	(45,000,000)	(25,000,000)	(45,000,000)	(25,000,000)
Net cash flows used in financing activities	(199,526,940)	(116,720,000)	(193,526,940)	(147,500,000)
Net increase (decrease) in cash and cash equivalents	3,796,961	(10,383,183)	1,595,621	(20,798,488)
Cash and cash equivalents at beginning of year	60,513,805	70,896,988	6,744,761	27,543,249
Cash and cash equivalents at end of year	64,310,766	60,513,805	8,340,382	6,744,761
	-	-	-	-
Supplemental cash flows information:				
Non-cash item				
Purchase of equipment and computer software				
for which cash has not been paid	7,041,069	1,892,062	6,858,521	1,130,955
Assets acquired under finance lease agreements	4,984,200	-	4,984,200	-

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

The Post Publishing Public Company Limited and its subsidiaries

Consolidated notes to financial statements

For the years ended 31 December 2011 and 2010

1. Corporate information

The Post Publishing Public Company Limited ("the Company") is a public company under Thai laws and is domiciled in Thailand. The Company is principally engaged in the publishing and distribution of newspapers, magazines and books and its registered address is 136 Sunthorn Kosa Road, Kwang Klong Toey, Khet Klong Toey, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting 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 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company and the following subsidiaries and jointly controlled entity:

Company's name	Nature of business	Percentage of shareholding		Country of incorporation
		2011	2010	
		Percent	Percent	
Subsidiaries				
Job Job Company Limited	Rental service for internet domain name	100	100	Thailand
Post International Media Company Limited	Publishing and distribution of magazines	100	100	Thailand
Post-IM Plus Company Limited (49% owned by the Company and 51% owned by Post International Media Company Limited)	Publishing and distribution of magazines	100	100	Thailand
Post News Company Limited	Production of television programming	51	51	Thailand
Jointly controlled entity				
Post-ACP Company Limited (owned by Post International Media Company Limited)	Publishing and distribution of magazines	70	51	Thailand

b) Post International Media Company Limited previously held 51% of the ordinary shares of Post-ACP Company Limited and had joint control of 50% of that company. In 2011, Post International Media Company Limited invested in 64,000 new preference shares of Post-ACP Company Limited at the par value of Baht 100 each, totaling Baht 6.4 million. The preference shares are 8% cumulative preference shares and carry voting rights at 1 vote per 1,000 preference shares.

Following the capital increase, Post International Media Company Limited has a 70% equity interest in Post-ACP Company Limited and 51% of the voting rights in that company. However, under the joint venture agreement between Post International Media Company Limited and the co-venturer, Post International Media Company Limited continues to have joint control of 50% in Post-ACP Company Limited.

c) Subsidiaries and jointly controlled entity are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries and jointly controlled entity are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company, its subsidiaries and jointly controlled entity have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards during the year

During the current year, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting

TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services

These accounting standards do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for liabilities arising from other defined benefit plans and other long-term employee benefits using actuarial techniques. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy in the current year and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The change has the effect of decreasing the profit of the Company and its subsidiaries for the year 2011 by Baht 4 million, (0.01 Baht per share) (Separate financial statements: decreasing profit by Baht 4 million, or 0.01 Baht per share). The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity which comprise:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Employee benefits	71,051	69,991
Tax effect from the recording of employee benefits	(21,302)	(20,997)
Cumulative effect of the change in accounting policy for employee benefits	49,749	48,994

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

The Company and its subsidiaries have early adopted TAs 12 Income Tax.

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Newspaper subscription income

Newspaper subscription income is recognised on the time-proportion basis over the subscription period.

Rendering of services

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

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

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.

5.2 Cash and cash equivalents

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

5.3 Trade 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 which is generally based on collection experience and analysis of debt aging and allowance for sales return which is based on past experience and prevailing market condition.

5.4 Inventories

Finished goods is valued at the lower of cost (determined on the first-in, first-out method) and net realisable value. Such cost include all production costs which consist of cost of materials, labour and production overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of cost (determined on the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

The Company and its subsidiaries set aside allowance for diminution in value of inventories for obsolete and slow-moving inventories.

5.5 Investments

a) Investments in associate is accounted for in the consolidated financial statements using the equity method.

b) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

5.6 Property, plant and equipment and depreciation

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

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

Buildings	20	years
Machinery and equipment	3 to 15	years
Office furniture, equipment and vehicles	4 and 5	years

Depreciation is included in determining income.

No depreciation is provided for land, and machinery and equipment under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

5.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and allowance for impairment losses of the assets.

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 for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

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

	Useful lives
Computer software	3 to 10 years
Right to use equipment	In accordance with the agreement for co-producer of television news programming (1 to 2 years)

No amortisation is provided for computer software under installation.

5.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company’s cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.10 Income tax

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

Current tax

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

Deferred tax

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

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.11 Related party transactions

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

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

5.12 Long-term leases

Leases of 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 is depreciated over the shorter of the useful life of the asset and the lease period, if the Company expects not to purchase such assets at the end of the lease period.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.13 Foreign currencies

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

Gains and losses on exchange are included in determining income.

5.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. 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.

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

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide 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.

5.16 Provisions

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

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follow:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

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

Allowance for sales return

In determining an allowance for sales return, the management needs to make judgment and estimates based upon past experience and prevailing market condition.

Impairment of investments

The Company treats investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement.

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 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.

Goodwill

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

Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these 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 profits.

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

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

Litigation

The Company has contingent liabilities as a result of litigations. The Company's management has used judgment 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 the reporting period.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash	665	629	465	535
Bank deposits	63,646	59,885	7,875	6,210
Total	64,311	60,514	8,340	6,745

As at 31 December 2011, bank deposits in savings accounts and fixed deposits carried interest at the rates between 0.5 and 2.25 percent per annum (2010: between 0.25 and 1.25 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade receivables - related party				
Age on the basis of due dates				
Not yet due	-	-	4,667	1,250
Past due				
Up to 3 months	-	-	13,161	12,310
3 - 6 months	-	-	-	683
Total trade receivables - related party	-	-	17,828	14,243
Trade receivables - unrelated parties				
Age on the basis of due dates				
Not yet due	222,899	204,815	156,886	129,824
Past due				
Up to 3 months	211,537	207,770	133,571	160,250
3 - 6 months	17,996	20,121	16,818	15,531
6 - 12 months	8,655	11,751	6,961	10,478
Over 12 months	12,800	12,047	9,899	12,047
Total	473,887	456,504	324,135	328,129
Less : Allowance for doubtful accounts	(14,450)	(14,790)	(9,632)	(14,607)
Allowance for sales returns	(4,420)	(7,355)	(4,420)	(7,355)
Total trade receivables - unrelated parties, net	455,017	434,359	310,083	306,167
Total trade receivables - net	455,017	434,359	327,911	320,410
Other receivables				
Amounts due from related parties	3	4	553	198
Other receivables	2,710	-	-	-
Total other receivables	2,713	4	553	198
Trade and other receivables - net	457,730	434,363	328,464	320,608

9. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2011	2010	2011	2010	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Purchase of goods	-	-	27	31	Market price
Rental income	-	-	6	6	Market price
Advertising income	-	-	12	24	Market price
Television production service income	-	-	58	42	Contract price
Advertising expenses	-	-	13	24	Market price
Rental expenses of television air time	-	-	4	-	Market price
Management fee income	-	-	1	1	Contract price
Transactions with jointly controlled entity					
(eliminated from the consolidated financial statements at the Company's proportionated interest)					
Purchase of goods	8	18	15	36	Market price

The balances of the accounts as at 31 December 2011 and 2010 between the Company and those related companies are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	18,375	14,432
Jointly controlled entity	3	4	6	8
Total trade and other receivables - related parties	3	4	18,381	14,440

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade and other payables - related parties (Note 18)				
Subsidiaries	-	-	12,726	8,848
Jointly controlled entity	3,103	4,715	6,333	9,623
Associate	5	-	5	-
Total trade and other payables - related parties	3,108	4,715	19,064	18,471

Long-term loans to related parties

As at 31 December 2011 and 2010, the balance of loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Loan to related party	Related by	Balance as at 31 December 2010	Increase during the year	Decrease during the year	Balance as at 31 December 2011
Flash News Co., Ltd.	Associate	960	-	(360)	600
Less: Allowance for loss		(960)	-	360	(600)
Total		-	-	-	-

(Unit: Thousand Baht)

		Separate financial statements			
Loans to related parties	Related by	Balance as at 31 December 2010	Increase during the year	Decrease during the year	Balance as at 31 December 2011
Post News Co., Ltd.	Subsidiary	6,120	-	-	6,120
Flash News Co., Ltd.	Associate	960	-	(360)	600
Less: Allowance for loss		(960)	-	360	(600)
Total		6,120	-	-	6,120

In 2010, Post News Company Limited received a loan of Baht 6.1 million from the Company. The loan is repayable on demand and carries interest at the rate with reference to Minimum Loan Rate a commercial bank charges to its prime customers. The Company does not have an intention to recall the loan within the next 12 months period. The Company therefore classified the loan as a long-term loan.

In 2008, Flash New Company Limited received a loan of Baht 2.4 million from the Company. The loan is repayable on demand and carries interest at a rate with reference to the Minimum Overdraft Rate that commercial banks charge to their prime customers. Because that company had a significant loss in 2008, the Company recorded full allowance for loss from the loan in the accounts. However, during 2011 and 2010, that company made loan payments totaling approximately Baht 0.4 million and Baht 1 million, respectively, to the Company. The balance of allowance for loss from the loan was therefore reversed to statements of comprehensive income.

Short-term loans from related party

As at 31 December 2011 and 2010, the balance of loans between the Company and this related party and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Loans to related party	Related by	Balance as at 31 December 2010	Increase during the year	Decrease during the year	Balance as at 31 December 2011
Post International Media Company Limited	Subsidiary	-	18,000	(12,000)	6,000

The above short-term loans are repayable on demand and subject to interest at the rate reference to the 12-month fixed deposit of a local commercial bank.

Directors and management's benefits

During the year ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term employee benefits	83	79	52	50
Post-employment benefits	1	-	1	-
Total	84	79	53	50

Guarantee obligation with related party

The Company has outstanding guarantee obligation with a subsidiary, as described in Note 31.4 a) to the financial statements.

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Allowance to reduce cost to net realisable value		Inventories - net	
	2011	2010	2011	2010	2011	2010
Finished goods	41,878	39,939	(20,708)	(16,786)	21,170	23,153
Raw materials	59,291	61,211	(601)	(1,369)	58,690	59,842
Raw materials in transit	30,332	4,589	-	-	30,332	4,589
Others	14,396	12,313	(3,615)	(1,465)	10,781	10,848
Total	145,897	118,052	(24,924)	(19,620)	120,973	98,432

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Allowance to reduce cost to net realisable value		Inventories - net	
	2011	2010	2011	2010	2011	2010
Finished goods	31,692	30,076	(9,079)	(4,800)	22,613	25,276
Raw materials	59,291	61,211	(601)	(1,369)	58,690	59,842
Raw materials in transit	30,332	4,589	-	-	30,332	4,589
Others	5,724	6,600	(2,902)	(1,319)	2,822	5,281
Total	127,039	102,476	(12,582)	(7,488)	114,457	94,988

11. Deferred right to use equipment

Deferred right to use of equipment represents the cost of equipment for providing service as a co-producer of daily television news programming. The equipment is required to be procured by the Company and a subsidiary, and the Company and the subsidiary have the right to use the equipment under the agreement with the government agency outlined in Note 31.6 to the financial statements. Ownership of the equipment will be transferred to the government agency from the date the equipment is transferred.

Movements of the deferred right to use equipment account during 2011 and 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Net book value at beginning of year	2,567	-	-	-
Acquisition of assets - at cost	9,808	6,884	-	-
Transfer out - at net book value	(4,089)	-	-	-
Amortisation charged (included in cost of services)	(8,286)	(4,317)	-	-
Net book value at end of year	-	2,567	-	-

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follow:

(Unit: Thousand Baht)

	Separate financial statements							
Company's name	Paid-up capital		Shareholding percentage		Carrying amount based on cost method		Dividend received during	
	2011	2010	2011	2010	2011	2010	2011	2010
			(%)	(%)				
Job Job Company Limited	25	25	100	100	25	25	-	-
Post-IM Plus Company Limited (Another 51% owned by Post International Media Company Limited)	50,000	50,000	49	49	2	2	-	-
Post International Media Company Limited	25,000	25,000	100	100	100,890	100,890	34,900	28,000
Post News Company Limited	10,000	10,000	51	51	5,100	5,100	-	-
Total					106,017	106,017	34,900	28,000

Post International Media Company Limited

The excess of the investment cost over the fair value of the identifiable assets and liabilities of the subsidiary as at the purchase date in 2008 was Baht 59.3 million. The amount was presented as goodwill in the consolidated statement of financial positions. Later, the amount of the goodwill was reduced by Baht 5.5 million to Baht 53.8 million in the statements of financial positions. This was a result of the adoption of the accounting policy for income tax by Post International Media Company Limited in 2009.

Post News Company Limited

In 2010, the Company invested in 51,000 new ordinary shares of a new subsidiary (Post News Company Limited) at a par value of Baht 100 each, a total price of Baht 5.1 million. This represented 51 percent of the paid-up capital of the subsidiary.

13. Investment in associate

13.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage 2011 (%)	Shareholding percentage 2010 (%)	Cost 2011	Cost 2010	Carrying amounts based on equity method - net 2011	Carrying amounts based on equity method - net 2010
Flash News Company Limited	Production of radio programming	Thailand	40	40	10,000	10,000	2,704	2,704
Less: Allowance for loss from investment					(10,000)	(10,000)	(2,704)	(2,704)
Net					-	-	-	-

13.2 Summarised financial information of associate

Financial information of the associate is summarised below:

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December 2011	Paid-up capital as at 31 December 2010	Total assets as at 31 December 2011	Total assets as at 31 December 2010	Total liabilities as at 31 December 2011	Total liabilities as at 31 December 2010	Total revenues for the year ended 31 December 2011	Total revenues for the year ended 31 December 2010	Profit for the year ended 31 December 2011	Profit for the year ended 31 December 2010
Flash News Company Limited	23	23	12	13	5	7	20	18	1	2

14. Long-term investment

Long-term investment represents investment in ordinary shares of the following company:

(Unit: Thousand Baht)

	Paid up Capital	Equity interest	Cost 2011	Cost 2010
		Percent		
Singapore Press Holdings Limited	27,393,300	0.00	16	16

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	Total
Cost						
1 January 2010	202,076	859,496	1,116,418	144,219	7,698	2,329,907
Additions	-	-	9,587	5,748	1,319	16,654
Disposals	-	-	(107,434)	-	-	(107,434)
Transfers	-	-	6,034	2,913	(8,947)	-
31 December 2010	202,076	859,496	1,024,605	152,880	70	2,239,127
Additions	-	-	13,516	11,691	19,294	44,501
Disposals	-	-	(34)	(2,926)	-	(2,960)
Transfers	-	-	420	13,803	(14,223)	-
Receipt of transfer from deferred right to use equipment - at net book value	-	-	-	3,266	-	3,266
31 December 2011	202,076	859,496	1,038,507	178,714	5,141	2,283,934
Accumulated depreciation						
1 January 2010	-	541,649	548,173	134,184	-	1,224,006
Depreciation for the year	-	42,867	68,498	4,199	-	115,564
Depreciation on disposals	-	-	(103,969)	-	-	(103,969)
31 December 2010	-	584,516	512,702	138,383	-	1,235,601
Depreciation for the year	-	42,866	66,963	7,661	-	117,490
Depreciation on disposals	-	-	(34)	(2,926)	-	(2,960)
31 December 2011	-	627,382	579,631	143,118	-	1,350,131
Net book value						
31 December 2010	202,076	274,980	511,903	14,497	70	1,003,526
31 December 2011	202,076	232,114	458,876	35,596	5,141	933,803

Depreciation for the year

2010 (Baht 91 million included in manufacturing cost, and the balance in selling and administrative expenses)	115,564
2011 (Baht 96 million included in manufacturing cost, and the balance in selling and administrative expenses)	117,490

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	Total
Cost						
1 January 2010	202,076	859,495	1,108,474	140,046	7,698	2,317,789
Additions	-	-	8,465	793	1,074	10,332
Disposals	-	-	(107,318)	-	-	(107,318)
Transfers	-	-	6,034	2,668	(8,702)	-
31 December 2010	202,076	859,495	1,015,655	143,507	70	2,220,803
Additions	-	-	10,716	10,986	19,294	40,996
Disposals	-	-	(34)	(2,926)	-	(2,960)
Transfers	-	-	420	13,803	(14,223)	-
31 December 2011	202,076	859,495	1,026,757	165,370	5,141	2,258,839
Accumulated depreciation						
1 January 2010	-	541,649	542,374	131,066	-	1,215,089
Depreciation for the year	-	42,867	67,235	3,686	-	113,788
Depreciation on disposals	-	-	(103,856)	-	-	(103,856)
31 December 2010	-	584,516	505,753	134,752	-	1,225,021
Depreciation for the year	-	42,866	65,440	5,372	-	113,678
Depreciation on disposals	-	-	(34)	(2,926)	-	(2,960)
31 December 2011	-	627,382	571,159	137,198	-	1,335,739
Net book value						
31 December 2010	202,076	274,979	509,902	8,755	70	995,782
31 December 2011	202,076	232,113	455,598	28,172	5,141	923,100

Depreciation for the year	
2010 (Baht 91 million included in manufacturing cost, and the balance in selling and administrative expenses)	113,788
2011 (Baht 94 million included in manufacturing cost, and the balance in selling and administrative expenses)	113,678

As at 31 December 2011, the Company, subsidiaries and jointly control entity had certain equipment items which have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 414 million (2010: Baht 406 million) (Separate financial statements: Baht 405 million, 2010: Baht 398 million).

16. Computer software

The net book value of computer software as at 31 December 2011 and 2010 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cost				
1 January	234,091	207,281	227,075	200,419
Additions	14,098	26,922	13,369	26,768
Disposals	-	(112)	-	(112)
Receipt from transfer from deferred right to use equipment at net book value	823	-	-	-
31 December	249,012	234,091	240,444	227,075
Accumulated amortisation				
1 January	119,435	101,315	113,439	95,545
Amortisation during the year	18,215	18,130	17,701	17,904
Accumulated amortisation of dispsals	-	(10)	-	(10)
31 December	137,650	119,435	131,140	113,439
Allowance for impairment				
1 January	6,289	7,406	6,289	7,406
Reversal of allowance for impairment of computer software	(1,117)	(1,117)	(1,117)	(1,117)
31 December	5,172	6,289	5,172	6,289
Net book value as at 31 December	106,190	108,367	104,132	107,347
Amortisation expenses:				
Included in manufacturing cost	15,599	15,719	15,201	15,719
Included in selling and administrative expenses	2,616	2,411	2,500	2,185
Total amortisation expenses for the year	18,215	18,130	17,701	17,904

As at 31 December 2011, the Company's computer software included computer software under installation amounting to Baht 60 million (2010: Baht 48 million).

As at 31 December 2011, the Company and its subsidiaries had certain computer software which have been fully amortised but are still in use. The gross carrying amount (before deducting accumulated amortisation and allowance for impairment loss) of those assets amounted to approximately Baht 62 million (2010: Baht 62 million) (Separate financial statements: Baht 52 million, 2010: Baht 51 million).

17. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Bank overdrafts	MOR	2,582	-	2,582	-
Short-term loans from financial institutions	MMR	48,000	575,000	28,000	555,000
Total		50,582	575,000	30,582	555,000

The short-term loans from financial institution the subsidiary are guaranteed by the Company and the non-controlling interest shareholders of the subsidiary.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade payables - related parties	3,103	4,715	17,207	18,471
Trade payables - unrelated parties	158,950	103,353	112,838	57,791
Amount due to related parties	5	-	1,857	-
Accrued expenses	78,848	72,195	71,048	66,125
Other payables	59,731	22,655	53,969	21,417
Total trade and other payables	300,637	202,918	256,919	163,804

19. Long-term loan from non-controlling interests of subsidiary

As at 31 December 2011 and 2010, a subsidiary had a short-term Baht loan from its non-controlling interests shareholders of subsidiary, which carries interest at the rates with reference to Minimum Loan Rate a commercial bank charges to its prime customers, and repayable on demand. However, the non-controlling interests shareholders of subsidiary confirmed not to call for repayment of this loan within the next twelve months. The subsidiary therefore classified the loan as a long-term loan.

20. Long-term loans

The balance represents the Company's long-term Baht loans from local banks which are summarised below.

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	2011	2010
1	Fixed rate as stipulated in the loan agreement	Semi-annual installments of Baht 25 million each, commencing February 2010	-	50,000
2	Fixed rate for the first two years and thereafter at a rate referenced to the Minimum Loan Rate	Quarterly installments of Baht 7.5 million each, commencing October 2010	22,500	52,500
3	Fixed rate for the first two years and thereafter at a rate referenced to the Minimum Loan Rate	Quarterly installments of Baht 25 million each, commencing September 2011	450,000	-
Total			472,500	102,500
Less: Current portion			(122,500)	(80,000)
Long-term loans - net of current portion			350,000	22,500

The long-term loan agreements contain certain covenants pertaining to the maintenance of financial ratios.

21. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	31 December 2011
Liabilities under finance lease agreements	5,598
Less: Deferred interest expenses	(722)
Total	4,876
Less: Portion due within one year	(1,015)
Liabilities under finance lease agreements - net of current portion	3,861

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 4 years.

As at 31 December 2011, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	Less than 1 year	1-4 years	Total
Future minimum lease payments	1.3	4.3	5.6
Deferred interest expenses	(0.3)	(0.4)	(0.7)
Present value of future minimum lease payments	1.0	3.9	4.9

22. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which comprise of compensation on employees' retirement and other long service awards, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 3)	71,051	69,991
Current service cost	1,690	1,437
Interest cost	4,692	4,571
Benefits paid during the year	(5,908)	(5,908)
Balance at end of year	71,525	70,091

Long-term employee benefit expenses as included in the profit or loss for the year ended 31 December 2011 amounted to Baht 6 million.

Principal actuarial assumptions of the Company and its subsidiaries at the valuation date were as follows:

	2011
	(% per annum)
Discount rate (depending on employee's remaining service year)	1.9 - 4.3
Future salary increase rate	3.0
Staff turnover rate	5.2 - 14.0

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The reserve has now been fully set aside. The statutory reserve is not available for dividend distribution.

24. Sales and service income

These include sales and advertising revenues of approximately Baht 39 million (2010: Baht 64 million) (Separate financial statements: Baht 47 million, 2010: Baht 85 million) arising from exchanges of dissimilar goods or services with other companies.

25. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Salary, wages and other employee benefits	686	666	567	560
Depreciation and amortisation	144	138	131	132
Advertising expenses	110	109	107	110
News service expenses	56	45	38	41
Travelling expenses	53	43	42	33
Raw materials and consumables used	525	434	449	356
Changes in inventories of finished goods and work in progress	4	21	1	18

26. Deferred tax assets/Income tax

Income tax expenses for 2011 and 2010 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Current income tax:				
Current income tax charge	23,248	18,643	-	-
Adjustment of prior year's income tax	-	(80)	-	(77)
Total	23,248	18,563	-	(77)
Deferred tax:				
Relating to origination and reversal of temporary differences	(514)	(1,959)	1,496	(1,910)
Utilisation of tax loss carried forward during the year	9,813	9,506	5,361	13,851
Effect of the change in income tax rates	20,580	(7,690)	16,516	(7,690)
Total	29,879	(143)	23,373	4,251
Income tax expense reported in the statement of comprehensive income	53,127	18,420	23,373	4,174

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2011 and 2010 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Accounting profit before tax	107,189	96,728	53,379	74,653
Applicable tax rate	30 %	25% and 30 %	30 %	25%
Accounting profit before tax multiplied by applicable tax rate	32,157	26,782	16,014	18,663
Adjustment of prior year's income tax	-	(80)	-	(77)
Utilisation of previously unrecognised tax losses	(1,028)	(1,188)	-	-
Effect of the change in income tax rates	20,580	(7,690)	16,516	(7,690)
Effects of:				
Non-deductible expenses	1,418	596	1,313	278
Exempted dividend income	-	-	(10,470)	(7,000)
Income tax expense reported in the statement of comprehensive income	53,127	18,420	23,373	4,174

As of 31 December 2011 and 2010, the components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Provision for long-term employee benefits	14,312	-	14,267	-
Tax loss carried forward	19,763	35,484	19,763	31,138
Allowance for loss from loan to and investment in subsidiary and associate	7,220	10,938	2,120	3,288
Allowance for doubtful accounts	3,138	4,437	2,180	4,382
Allowance for sales returns	1,107	2,059	528	1,123
Allowance for diminution in value of inventories	5,037	5,185	2,586	2,247
Accrued expenses	1,700	2,079	1,069	2,079
Allowance for impairment of computer software	1,190	1,887	1,190	1,887
Others	65	40	65	-
Total deferred tax assets	53,532	62,109	43,768	46,144

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to implement the resolution of the cabinet, in December 2011, the tax rate decreases for 2012 to 2014 were enacted through a royal decree. In addition, the applicable tax rate of the Company changed from 25% in 2010 to 30% in 2011 because of the expiry of the tax reduction privilege. The Company reflected the changes in tax rates in its deferred tax calculations for 2011 and 2010, as presented above.

As at 31 December 2011 a subsidiary has deductible temporary differences, unused tax losses and unused tax credits totaling Baht 40 million (2010: Baht 42 million), on which deferred tax assets have not been recognised as the subsidiary believes that they might not be used to offset taxable income in the future.

27. 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.

28. Segment information

The Company and its subsidiaries' significant business operations involve the publishing and distribution of newspapers, magazines and books, and production of television programming. The business operations are carried on only in Thailand. However, during the years, the Company and its subsidiaries did not have significant business transactions relating to the segment of television programming. Therefore, there are no presentation of financial information by segment pertain to the aforementioned industry segment and geographic area.

29. Provident fund

The Company and its subsidiaries, and theirs employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contributed to the fund monthly at the rates of 4 percent to 8 percent of basis salary. The fund, which is managed by The Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During 2011, the Company and its subsidiaries contributed Baht 29 million (2010: Baht 25 million) (Separate financial statements: Baht 25 million, 2010: Baht 25 million) to the fund.

30. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		(Thousand Baht)	(Baht per share)
Interim dividends for 2010	Meeting of the Board of Directors on 12 November 2010	25,000	0.05
Final dividends for 2010	Annual General Meeting of the shareholders on 22 April 2011	45,000	0.09

31. Commitments and contingent liabilities

31.1 Capital commitments

As at 31 December 2011, the Company had commitments relating to the developing and maintaining of computer system as follows:

	(Unit: Million Baht)
Payable within:	
1 year	30
2 to 5 years	54

31.2 Purchase newsprint commitments

As at 31 December 2011, the Company has no outstanding commitments in respect of purchases of newsprint (2010: USD 0.2 million or equivalent to Baht 7.5 million).

The subsidiaries have outstanding commitments, payable within one year, in respect of the purchase of paper for magazine printing at the rate and quantities stipulated in the agreement.

31.3 Long-term service commitments

The subsidiaries and jointly controlled entity have entered into trademark agreements under which foreign companies granted their permission to use their trademarks. The subsidiaries and jointly controlled entity are obliged to pay the counterparties service fees, which are calculated in accordance with the conditions and at rates stipulated in the agreements. The agreements period can be summarised below.

Agreement	Agreement period
1	From 1 March 2007
2	7 years from 1 January 2008 and can be renewed for another 7 years under the stipulated conditions
3	From May 2009 to December 2014 and can be renewed for another 5 years under the stipulated conditions
4	From June 2011 to December 2015
5	10 years from 1 January 2012 and can be renewed for every other 10 years under the stipulated conditions

31.4 Guarantees

(a) As at 31 December 2011, the Company has guaranteed a bank credit facility of a subsidiary amounting to Baht 10 million.

(b) As at 31 December 2011, there were outstanding bank guarantees of approximately Baht 20 million issued in the normal course of business of the Companies.

31.5 Litigation

The Company has been named a defendant in a libel suit and two labor suits arising in the ordinary course of its business. Although the final outcome of the suits cannot be determined at this stage, it is the management’s opinion that the resolution of these cases will not have any material adverse effect on the Company’s financial statements as a whole.

31.6 Significant agreement

A government agency selected the Company as a co-producer of daily television news programming. The Company agreed to compensate the government agency in terms of cash, and through provision of equipment, news production staff and advertising service, in accordance with the conditions and amounts specified in the agreement. The contract is expiring in April 2013.

32. Financial instruments

32.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, long-term loans to related parties, trade and other payables, bank overdrafts and short-term loans from financial institutions, short-term loans and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and long-term loans to related parties. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses, except for the amount provided by an allowance for doubtful debts. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and long-term loans to related parties as stated in the statements of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, long-term loans to related parties, bank overdrafts and short-term loans from financial institutions, short-term loans and long-term borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rates 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					
	Fixed interest rates					
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing	Total	Effective Interest rate
						(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	46	18	64	0.5 - 2.25
Trade and other receivables	-	-	-	458	458	-
	-	-	46	476	522	
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	51	-	51	MMR, MOR
Trade and other payables	-	-	-	301	301	-
Long-term loans from non-controlling interests of the subsidiary	-	-	6	-	6	Reference to MLR
Long-term loans	100	50	323	-	473	Fixed rates and MLR
Liabilities under finance lease agreement	1	4	-	-	5	Fixed rates
	101	54	380	301	836	

(Unit: Million Baht)

	Separate financial statements					
	Fixed interest rates					
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing	Total	Effective Interest rate
						(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	1	7	8	0.5 - 2.25
Trade and other receivables	-	-	-	328	328	-
Long-term loans to related parties	-	-	6	-	6	Reference to MLR and MOR
	-	-	7	335	342	
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	31	-	31	MMR, MOR
Trade and other payables	-	-	-	257	257	-
Short-term loans from related party	-	-	6	-	6	Reference to the 12 month fixed deposit rates
Long-term loans	100	50	323	-	473	Fixed rates and MLR
Liabilities under finance lease agreement	1	4	-	-	5	Fixed rates
	101	54	360	257	772	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from purchase of goods and services that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. However, as at 31 December 2011 and 2010, there were no forward contracts outstanding.

32.2 Fair values of financial instruments

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

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

33. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have an appropriate financial structure in order to support their businesses and maximize shareholder value. As at 31 December 2011, the Group's debt-to-equity ratio was 1.35:1 (2010: 1.25:1) (Separate financial statements: 1.36:1 (2010: 1.21:1)).

34. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 and as the result of the adoption of revised and new accounting standards as described in Note 3, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholder's equity.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 13 February 2012.