

Laguna Resorts & Hotels Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2014



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Independent Auditor's Report

To the Shareholders of Laguna Resorts & Hotels Public Company Limited

I have audited the accompanying consolidated financial statements of Laguna Resorts & Hotels Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Laguna Resorts & Hotels Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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



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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laguna Resorts & Hotels Public Company Limited and its subsidiaries and of Laguna Resorts & Hotels Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to read 'Sophon Permsirivallop'.

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

EY Office Limited

Bangkok: 24 February 2015

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	6	444,633,200	370,828,298	17,675,124	17,182,951
Current investment - short-term fixed deposit		10,587,991	10,424,865	-	-
Trade and other receivables	8	549,723,270	579,009,676	203,899,461	205,710,145
Inventories	10	107,779,102	123,132,426	-	-
Property development cost	11	3,888,709,119	3,414,814,251	193,267,064	245,054,436
Other current assets	12	178,918,303	204,771,602	23,537,678	26,924,539
Total current assets		5,180,350,985	4,702,981,118	438,379,327	494,872,071
Non-current assets					
Restricted deposits at financial institution	7	41,189	41,189	-	-
Long-term fixed deposit		2,000,000	2,000,000	2,000,000	2,000,000
Long-term trade accounts receivable	13	165,044,275	144,442,559	-	14,063,349
Investments in subsidiaries	14	-	-	3,479,025,077	3,479,025,077
Investments in associates	15	409,464,982	456,568,175	-	-
Other long-term investments	16	1,008,789,883	851,652,389	402,425,290	245,287,796
Long-term loans to subsidiaries	9	-	-	2,257,020,629	1,948,000,629
Long-term loans to employees	9	-	183,034	-	23,325
Investment properties	17	1,112,275,932	1,100,635,059	181,225,030	168,997,818
Property, plant and equipment	18	10,244,887,848	10,207,075,537	49,796,176	50,878,389
Deferred tax assets	30	95,533,870	81,588,647	-	-
Goodwill	14	407,903,881	407,903,881	-	-
Leasehold rights	19	19,448,550	22,912,903	-	-
Other non-current assets		68,356,883	69,513,824	1,334,653	3,041,643
Total non-current assets		13,533,747,293	13,344,517,197	6,372,826,855	5,911,318,026
Total assets		18,714,098,278	18,047,498,315	6,811,206,182	6,406,190,097

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	710,000,000	170,000,000	360,000,000	150,000,000
Trade and other payables	21	687,573,357	608,574,194	24,925,616	51,223,896
Current portion of long-term loans from financial institutions	23	657,750,000	457,000,000	70,000,000	70,000,000
Income tax payable		23,787,114	13,197,834	-	-
Advance received from customers		1,017,212,164	514,413,237	715,596	263,506
Other current liabilities	22	122,059,676	119,137,926	9,959,271	7,487,798
Total current liabilities		3,218,382,311	1,882,323,191	465,600,483	278,975,200
Non-current liabilities					
Long-term loans from subsidiaries	9	-	-	765,850,000	673,850,000
Long-term loans from financial institutions					
- net of current portion	23	1,819,575,819	2,513,325,819	35,000,000	105,000,000
Provision for long-term employee benefits	24	52,622,004	54,400,732	10,021,710	11,668,911
Long-term provision - provision for legal case	39	39,337,103	-	-	-
Deferred tax liabilities	30	2,091,589,988	2,097,827,508	196,846,463	153,361,368
Other non-current liabilities		84,959,992	97,628,519	5,881,045	7,888,729
Total non-current liabilities		4,088,084,906	4,763,182,578	1,013,599,218	951,769,008
Total liabilities		7,306,467,217	6,645,505,769	1,479,199,701	1,230,744,208
Shareholders' equity					
Share capital					
Registered					
211,675,358 ordinary shares of Baht 10 each		2,116,753,580	2,116,753,580	2,116,753,580	2,116,753,580
Issued and fully paid-up					
166,682,701 ordinary shares of Baht 10 each		1,666,827,010	1,666,827,010	1,666,827,010	1,666,827,010
Share premium		2,062,460,582	2,062,460,582	2,062,460,582	2,062,460,582
Capital reserve	25	568,130,588	568,130,588	-	-
Retained earnings					
Appropriated - statutory reserve	27	211,675,358	211,675,358	211,675,358	211,675,358
Unappropriated		2,482,805,944	2,521,328,953	957,046,188	926,195,591
Other components of shareholders' equity		4,134,100,817	4,091,793,242	433,997,343	308,287,348
Equity attributable to owner of the Company		11,126,000,299	11,122,215,733	5,332,006,481	5,175,445,889
Equity attributable to non-controlling interests of the subsidiaries		281,630,762	279,776,813	-	-
Total shareholders' equity		11,407,631,061	11,401,992,546	5,332,006,481	5,175,445,889
Total liabilities and shareholders' equity		18,714,098,278	18,047,498,315	6,811,206,182	6,406,190,097

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

Directors

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Revenue					
Revenue from hotel operations		3,039,990,887	3,428,458,199	-	7,531,600
Revenue from property development operations		815,205,013	744,416,413	99,521,708	224,443,942
Revenue from office rental operations		90,368,736	88,542,903	39,607,701	40,632,272
Other income	28	70,860,919	91,017,516	245,119,692	237,761,550
Total revenue		4,016,425,555	4,352,435,031	384,249,101	510,369,364
Expenses					
Cost of hotel operations		1,748,452,059	1,902,116,928	-	331,660
Cost of property development operations		424,589,152	337,427,604	52,694,785	112,188,787
Cost of office rental operations		45,333,910	43,265,799	7,195,467	7,308,059
Selling expenses		384,458,845	430,518,638	6,943,772	17,179,411
Administrative expenses		1,274,812,178	1,480,853,733	156,077,666	225,328,750
Reversal of loss on impairment of investment	16	(89,338,720)	(245,287,794)	-	(31,161,043)
Total expenses		3,788,307,424	3,948,894,908	222,911,690	331,175,624
Profit before share of loss from investment					
in associate, finance cost and income tax expenses		228,118,131	403,540,123	161,337,411	179,193,740
Share of loss from investment in associate	15	(36,189,121)	(21,065,652)	-	-
Profit before finance cost and income tax expenses		191,929,010	382,474,471	161,337,411	179,193,740
Finance cost		(162,075,264)	(180,457,409)	(61,765,911)	(59,913,373)
Profit before income tax expenses		29,853,746	202,017,062	99,571,500	119,280,367
Income tax expenses	30	(8,630,849)	(85,378,946)	(12,057,596)	(34,282,728)
Profit for the year		21,222,897	116,638,116	87,513,904	84,997,639
Profit attributable to:					
Equity holders of the Company		18,140,298	111,788,555	87,513,904	84,997,639
Non-controlling interests of the subsidiaries		3,082,599	4,849,561		
		21,222,897	116,638,116		
Basic earnings per share					
Profit attributable to equity holders of the Company	31	0.11	0.67	0.53	0.51

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Profit for the year		21,222,897	116,638,116	87,513,904	84,997,639
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(13,160,094)	62,243,239	-	-
Actuarial loss of post-employment benefits, net of income tax	24	-	(10,714,023)	-	(3,370,977)
Unrealised gain on available-for-sales security, net of income tax	16	54,239,019	-	125,709,995	171,301,401
Reversal of revaluation surplus on assets, net of income tax	26	-	(1,160,903,353)	-	(8,599,310)
Other comprehensive income (loss) for the year		41,078,925	(1,109,374,137)	125,709,995	159,331,114
Total comprehensive income (loss) for the year		62,301,822	(992,736,021)	213,223,899	244,328,753
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		60,447,873	(999,409,114)	213,223,899	244,328,753
Non-controlling interests of the subsidiaries		1,853,949	6,673,093		
		62,301,822	(992,736,021)		

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

(Unit: Baht)

	Consolidated financial statements											
	Equity attributable to the owners of the Company											
	Other components of shareholders' equity											
	Other comprehensive income											
	issued and fully paid-up share capital	Share premium	Capital reserve	Appropriated - statutory reserve	Retained earnings	Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Unrealised gain on available for sales security	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2013	1,666,827,010	2,062,460,582	568,130,588	211,675,358	2,441,089,062	96,155,743	5,096,121,145	-	5,192,276,888	12,142,459,508	273,103,720	12,415,563,228
Dividend paid (Note 33)	-	-	-	-	(20,834,661)	-	-	-	-	(20,834,661)	-	(20,834,661)
Profit for the year	-	-	-	-	111,788,555	-	-	-	-	111,788,555	4,849,561	116,638,116
Other comprehensive income (loss) for the year	-	-	-	-	(10,714,023)	60,419,707	(1,160,903,353)	-	(1,100,483,646)	(1,111,197,669)	1,823,532	(1,105,374,137)
Total comprehensive income (loss) for the year	-	-	-	-	101,074,532	60,419,707	(1,160,903,353)	-	(1,100,483,646)	(988,409,114)	6,673,093	(992,736,021)
Balance as at 31 December 2013	1,666,827,010	2,062,460,582	568,130,588	211,675,358	2,521,328,953	156,575,450	3,935,217,792	-	4,091,793,242	11,122,215,733	279,776,813	11,401,992,546
Balance as at 1 January 2014	1,666,827,010	2,062,460,582	568,130,588	211,675,358	2,521,328,953	156,575,450	3,935,217,792	-	4,091,793,242	11,122,215,733	279,776,813	11,401,992,546
Dividend paid (Note 33)	-	-	-	-	(56,663,307)	-	-	-	-	(56,663,307)	-	(56,663,307)
Profit for the year	-	-	-	-	18,140,298	-	-	-	-	18,140,298	3,082,599	21,222,897
Other comprehensive income (loss) for the year	-	-	-	-	-	(11,931,444)	-	54,239,019	42,307,575	42,307,575	(1,228,650)	41,078,925
Total comprehensive income (loss) for the year	-	-	-	-	-	(11,931,444)	-	54,239,019	42,307,575	60,447,873	1,853,949	62,301,822
Balance as at 31 December 2014	1,666,827,010	2,062,460,582	568,130,588	211,675,358	2,482,805,944	144,644,006	3,935,217,792	54,239,019	4,134,100,817	11,128,000,299	281,630,762	11,407,631,061

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2014

	Separate financial statements							(Unit: Baht)
	Issued and fully paid-up share capital	Other components of shareholders' equity						
		Share premium	Retained earnings		Revaluation surplus on assets	Unrealised gain on available-for-sales security	Total other components of shareholders' equity	
			Appropriated -	Unappropriated				
Balance as at 1 January 2013	1,666,827,010	2,062,460,582	211,675,358	865,403,590	145,585,257	-	145,585,257	4,951,951,797
Dividend paid (Note 33)	-	-	-	(20,834,661)	-	-	-	(20,834,661)
Profit for the year	-	-	-	84,997,639	-	-	-	84,997,639
Other comprehensive income (loss) for the year	-	-	-	(3,370,977)	(8,599,310)	171,301,401	162,702,091	159,331,114
Total comprehensive income (loss) for the year	-	-	-	81,626,662	(8,599,310)	171,301,401	162,702,091	244,328,753
Balance as at 31 December 2013	1,666,827,010	2,062,460,582	211,675,358	926,195,591	136,985,947	171,301,401	308,287,348	5,175,445,889
Balance as at 1 January 2014	1,666,827,010	2,062,460,582	211,675,358	926,195,591	136,985,947	171,301,401	308,287,348	5,175,445,889
Dividend paid (Note 33)	-	-	-	(56,663,307)	-	-	-	(56,663,307)
Profit for the year	-	-	-	87,513,904	-	-	-	87,513,904
Other comprehensive income (loss) for the year	-	-	-	-	-	125,709,995	125,709,995	125,709,995
Total comprehensive income for the year	-	-	-	87,513,904	-	125,709,995	125,709,995	213,223,899
Balance as at 31 December 2014	1,666,827,010	2,062,460,582	211,675,358	957,046,188	136,985,947	297,011,396	433,997,343	5,332,006,481

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before income tax expenses	29,853,746	202,017,062	99,571,500	119,280,367
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	292,261,157	286,246,559	4,568,610	5,779,228
Amortisation of leasehold rights	2,658,272	2,558,382	-	-
Allowance for doubtful accounts (reversal)	(832,712)	7,311,339	-	-
Reversal of reduction of inventory to net realisable value	(1,725,309)	(1,244,131)	-	-
Share of loss from investment in associate	36,189,121	21,065,652	-	-
Loss (gain) on change in fair value of investment properties	(4,121,543)	(24,091,059)	(12,153,016)	916,843
Loss (gain) on sales of property, plant and equipment	(416,273)	118,918	(25,049)	596,031
Write off property, plant and equipment	781,018	24,250,150	1,030	4,016,313
Dividend income from investment in subsidiaries	-	-	(34,053,990)	-
Dividend income from other long-term investment	(25,550,812)	(12,775,406)	(25,550,812)	(12,775,406)
Provision for long-term employee benefits (reversal)	7,601,379	16,314,581	(1,378,493)	1,552,327
Reversal of loss on impairment of property, plant and equipment	-	-	-	(7,356,193)
Reversal of loss on impairment of investment	(89,338,720)	(245,287,794)	-	(31,161,043)
Provision for legal case	39,337,103	-	-	-
Interest income	(20,216,554)	(25,241,453)	(138,506,337)	(133,789,932)
Interest expenses	162,075,264	180,457,409	61,765,911	59,913,373
Profit (loss) from operating activities before changes in operating assets and liabilities	428,555,137	431,700,209	(45,760,646)	6,971,908
Operating assets (increase) decrease				
Trade and other receivables	30,057,360	(63,677,854)	3,128,367	7,052,741
Inventories	17,078,633	11,535,261	-	104,634
Property development cost	(503,773,109)	52,762,084	51,787,372	111,717,451
Other current assets	49,082,812	(7,544,109)	9,664,504	10,270,143
Long-term trade accounts receivable	(20,601,716)	15,635,857	14,063,349	10,826,878
Other non-current assets	1,082,744	430,256	1,632,794	15,594
Operating liabilities increase (decrease)				
Trade and other payables	81,015,432	(82,911,506)	(26,776,476)	(11,199,888)
Advance received from customers	502,798,927	158,409,452	452,090	(22,999,445)
Other current liabilities	2,921,249	(8,776,024)	2,471,473	1,712,951
Provision for long-term employee benefits	(9,380,107)	(28,768,488)	(268,708)	(3,981,552)
Other non-current liabilities	(12,668,527)	6,465,462	(2,007,684)	(3,920,795)
Cash flows from operating activities	566,168,835	485,260,600	8,386,435	106,570,620
Cash received for interest income	20,278,312	25,714,083	137,188,655	104,380,931
Cash paid for interest expenses	(162,679,517)	(179,906,430)	(61,287,717)	(58,390,259)
Cash paid for income tax	(53,519,831)	(66,084,998)	(6,277,642)	(6,224,949)
Net cash flows from operating activities	370,247,799	264,983,255	78,009,731	146,336,343

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Increase in restricted deposits at financial institution	-	(41,189)	-	-
Increase in current investment - short-term fixed deposit	(163,126)	(10,424,865)	-	-
Cash paid for purchase of other long-term investment	-	(62,031,864)	-	-
Dividend received from investments in subsidiaries	-	-	34,053,990	-
Dividend received from investment in associate	-	85,024,714	-	-
Dividend received from other long-term investment	25,550,812	12,775,406	25,550,812	12,775,406
Cash received from long-term loans to subsidiaries	-	-	1,663,400,000	763,700,000
Cash paid for long-term loans to subsidiaries	-	-	(1,972,420,000)	(1,020,800,000)
Decrease in long-term loans to employees	183,034	1,910,222	23,325	139,641
Cash received from sales of property, plant and equipment	904,433	1,177,667	4,418,133	7,297,531
Cash paid for acquisition of property, plant and equipment	(310,708,625)	(231,909,035)	(7,880,511)	(9,029,550)
Net cash flow used in investing activities	(284,233,472)	(203,518,944)	(252,854,251)	(245,916,972)
Cash flows from financing activities				
Increase in short-term loans from financial institution	540,000,000	170,000,000	210,000,000	150,000,000
Draw down of long-term loans from subsidiaries	-	-	935,200,000	738,500,000
Repayment of long-term loans from subsidiaries	-	-	(843,200,000)	(734,300,000)
Draw down of long-term loans from financial institutions	-	103,500,000	-	-
Repayment of long-term loans from financial institutions	(493,000,000)	(530,450,744)	(70,000,000)	(70,000,000)
Payment of dividends	(56,663,307)	(20,834,661)	(56,663,307)	(20,834,661)
Net cash flows from (used in) financing activities	(9,663,307)	(277,785,405)	175,336,693	63,365,339
Net exchange differences on translation of financial statements in foreign currency	(2,546,118)	15,285,023	-	-
Net increase (decrease) in cash and cash equivalents	73,804,902	(201,036,071)	492,173	(36,215,290)
Cash and cash equivalents at beginning of year	370,828,298	571,864,369	17,182,951	53,398,241
Cash and cash equivalents at end of year	444,633,200	370,828,298	17,675,124	17,182,951

Supplemental cash flows information

Non-cash items

Transferred of property, plant and equipment to investment properties	7,445,134	-	-	-
Transferred property development cost to property, plant and equipment	29,878,241	72,127,546	-	-
Transferred property, plant and equipment to property development cost	-	1,152,193,444	-	111,429,000
Reversal of revaluation surplus on assets	-	(1,451,129,189)	-	(10,749,137)
Increase (decrease) in exchange differences on translation of financial statements in foreign currency of associate	(10,914,072)	46,353,079	-	-
Actuarial loss of post-employment benefits	-	(13,392,529)	-	(4,213,722)

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2014

1. General information

Laguna Resorts & Hotels Public Company Limited ("the Company", "LRH") is a public company incorporated and domiciled in Thailand. Its major shareholder is Banyan Tree Holdings Limited, which was incorporated in Singapore.

The Company and its subsidiaries are principally engaged in the hotel business and property development. There are three hotels in Laguna Phuket, namely Angsana Laguna Phuket, Banyan Tree Phuket and Outrigger Laguna Phuket Resort and Villas, located in Phuket province and one hotel, the Banyan Tree Bangkok, located in Bangkok. The subsidiaries are also engaged in operating a golf club (Laguna Phuket Golf Club), sales of merchandise (Banyan Tree Gallery), office and shops rental and sale of holiday club memberships.

The Company and some of its subsidiaries' registered address was 21/11, 21/12B, 21/13 and 21/68 Thai Wah Tower 1, 6th and 24th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

On 2 January 2014, the Company registered with the Ministry of Commerce the change of its address to 21/17B, 21/17C, 21/65, 21/66 and 21/68 Thai Wah Tower 1, 7th, 22nd and 24th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 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 Laguna Resorts & Hotels Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			%	%
<u>Subsidiaries directly held by the Company</u>				
Banyan Tree Gallery (Singapore) Pte. Limited	Sale of merchandise	Singapore	51.0	51.0
Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	51.0	51.0
Laguna Banyan Tree Limited ⁽¹⁾	Hotel operations and property development	Thailand	100.0	100.0
Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	100.0	100.0
Laguna Grande Limited	Operating a golf club and property development	Thailand	100.0	100.0
Laguna Lakes Limited	Property development	Thailand	94.9	94.9
Laguna (3) Limited	Owens land on which a hotel is situated	Thailand	100.0	100.0
Laguna Service Company Limited ⁽²⁾	Provide utilities and other services to hotels of the Company and subsidiaries	Thailand	72.9	72.9
TWR - Holdings Limited	Investment holding and property development	Thailand	100.0	100.0
<u>Subsidiaries held through TWR - Holdings Limited</u>				
Laguna Excursions Limited	Travel operations	Thailand	49.0	49.0
Laguna Village Limited	Hotel operations	Thailand	100.0	100.0
Mae Chan Property Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Pai Samart Development Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Phuket Resort Development Limited	Property development	Thailand	100.0	100.0
PT AVC Indonesia	Holiday club membership	Indonesia	100.0	100.0
Talang Development Company Limited	Property development	Thailand	50.0	50.0
Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	100.0	100.0
Thai Wah Tower Company Limited	Lease of office building space	Thailand	100.0	100.0
Thai Wah Tower (2) Company Limited	Owens land on which a hotel is situated	Thailand	100.0	100.0
Twin Waters Development Company Limited	Property development	Thailand	100.0	100.0
<u>Subsidiaries held through Laguna Grande Limited</u>				
Bangtao (1) Limited	Owens land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (2) Limited	Owens land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (3) Limited	Owens land on which a hotel staff dormitory is situated	Thailand	100.0	100.0
Bangtao (4) Limited	Owens land on which the golf course is situated	Thailand	100.0	100.0

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			%	%
<u>Subsidiaries held through Laguna Grande Limited (Continued)</u>				
Bangtao Development Limited	Owens land on which a hotel is situated	Thailand	100.0	100.0
Bangtao Grande Limited	Hotel operations	Thailand	100.0	100.0
Laguna Central Limited	Dormant	Thailand	85.0	85.0
<u>Subsidiary held through Banyan Tree Gallery (Singapore) Pte. Limited</u>				
Lijiang Banyan Tree Gallery Trading Co., Ltd.	Sale of merchandise	The People's Republic of China	51.0	51.0
<u>Subsidiary held through Laguna Holiday Club Limited</u>				
Cheer Golden Limited	Investment holding	Hong Kong	100.0	100.0

- (1) Laguna Banyan Tree Limited is held 49% by the Company and 51% through TWR - Holdings Limited.
- (2) Laguna Services Company Limited is held by the Company and 2 subsidiaries.

A subsidiary has a 49% shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the income of this subsidiary at 100% after deducting the cumulative preferential annual dividend of 15% of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

- (b) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- (d) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- (e) Material balances and transactions between the Company and its subsidiary companies 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 income statement and within equity in the consolidated statement of financial position.

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

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases – Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets – Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

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

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses of post-employment benefits immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses of post-employment benefits immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

(a) Revenue from hotel operations

- Revenue from hotel operations mainly comprises room sales, food and beverage sales and revenue from auxiliary activities. Sales are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts.
- Revenue from sales of merchandise (Gallery operation) is recognised when the significant risk 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.

(b) Revenue from property development operations

- Revenue from the real estate sales

Revenue from sales of real estate is recognised when significant risks and rewards of ownership are transferred to the buyer, and the Company and its subsidiaries retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold. In addition, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and its subsidiaries and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Where properties are sold to non-Thais, the land is sold under a long-term lease agreement comprising an initial term of thirty years with an option to extend for two or three successive periods of thirty years each, without any additional consideration to be paid in addition to the sum of the rental paid for the initial lease term. These long-term lease agreements also contain a further option that provides if Thai law permits non-Thais to own land on a freehold basis, the lessor shall consent to sell the land to the lessee in return for a token payment. Consequently, long-term leases are recognised as sales of land for accounting purposes in accordance with the principle of applying substance over form.

- Revenue from sales of furniture

Revenue from sales of furniture is recognised when furniture is completely and satisfactorily installed.

- Revenue from sale of holiday club memberships

Revenue from the sale of holiday club memberships is wholly recognised when a legally binding contract has been signed and at least fifty percent of the contract price has been received.

- (c) Revenue from rental and services

Rental income is recognised over the lease period. Service revenue is recognised when services have been rendered taking into account the stage of completion.

- (d) Interest income

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

- (e) Dividends

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

4.2 Cost of property development

In determining the cost of property development sold, the anticipated total development cost (after recognising the cost incurred to date) are attributed to units already sold and then recognised as cost in profit or loss.

4.3 Cash and cash equivalents

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

4.4 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.

4.5 Property development cost

Property development cost is valued at the lower of cost and net realisable value. Cost comprises cost of land, design fee, infrastructure, construction and related interest.

4.6 Inventories

Inventories are valued at the lower of cost and net realisable value, cost being determined on either the first-in, first-out or the weighted average basis.

4.7 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

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

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

4.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.9 Property, plant and equipment/Depreciation

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

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. As a policy, the revaluation will be performed every three years. If within that period, there are factors which may cause significant changes in the value of assets, the revaluation will be performed in that year to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation of the Company's and subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus on assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's and subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on assets" in respect of the same assets.

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

Buildings and improvements	10 - 50	years
Machinery and equipment	5 - 15	years
Furniture, fixtures and motor vehicles	5	years
Operating and office equipment	3 - 5	years
Golf course, land improvement and external work	5 - 10	years

Depreciation is included in determining earnings.

No depreciation is provided on land and construction in progress.

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. The revaluation surplus presented in other components of shareholders' equity has been directly transferred to retained earnings on retirement or disposal of the assets.

4.10 Leasehold rights and amortisation

Leasehold rights of hotel units are stated at cost less accumulated amortisation and any impairment losses (if any). Amortisation of leasehold rights is calculated by reference to their cost on a straight-line basis over 20 years.

The amortisation is included in determining income.

4.11 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.

4.12 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 associated 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.

4.13 Long-term leases

Leases of property, plant 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 property, plant 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 a straight line basis over the lease term.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items on each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at 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 of reporting period.

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform 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 and its subsidiaries also carry 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could

obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However, in cases where property, plant and equipment was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate 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 unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.16 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, its subsidiaries and their 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 Company and its subsidiaries' contributions 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 they 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 benefits, 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 post-employment benefits are recognised immediately in other comprehensive income and other long-term benefits are recognised immediately in profit or loss.

The defined benefits liability and other long-term benefit liabilities comprise the present value of the defined benefit obligation less unrecognised actuarial gains or losses.

4.17 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.

4.18 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 they recognise 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. 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:

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 have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

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

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Impairment of equity investments

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when 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 of the management.

Investment properties

The Company and its subsidiaries present investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment properties using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 17.

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 estimated useful lives and residual values when there are any changes.

The Company and its subsidiaries measure land and buildings at revalued amounts. Such amounts are determined by independent valuer using the Market Approach for land, the Replacement Cost Approach for buildings. The valuation involves certain assumptions and estimates.

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 the 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 for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans 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 and its subsidiaries have contingent liabilities as a result of litigation. The Company's and subsidiaries' management has used judgement to assess of the results of the litigation and recorded contingent liabilities under "Long-term provision - provision for legal case" as at the end of reporting period.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	5,360	6,274	180	182
Bank deposits	439,273	364,554	17,495	17,001
Total	444,633	370,828	17,675	17,183

As at 31 December 2014, bank deposits in saving accounts and fixed deposits carried interest rates between 0.375% and 1.25% per annum (2013: between 0.50% and 1.60% per annum).

7. Restricted deposits at financial institution

These represent deposits pledged with a financial institution as security for bank guarantee facilities of a subsidiary.

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	292,729	321,046	5,127	1,890
Less: Allowance for doubtful accounts	(10,822)	(12,308)	-	-
Trade accounts receivable - hotel operations, net	281,907	308,738	5,127	1,890
Trade accounts receivable - sales of property				
- Installments due	13,014	22,891	-	11,573
Current portion of long-term trade accounts receivable (Note 13)	84,262	81,670	4,857	3,246
Trade accounts receivable - sales of property, net	97,276	104,561	4,857	14,819
Trade accounts receivable - sales of holiday club memberships - Installments due	8,917	10,041	-	-
Current portion of long-term trade accounts receivable (Note 13)	22,022	29,284	-	-
Total	30,939	39,325	-	-
Less: Allowance for doubtful accounts	(2,600)	(2,600)	-	-
Trade accounts receivable - sales of holiday club memberships, net	28,339	36,725	-	-
Trade accounts receivable - net	407,522	450,024	9,984	16,709
<u>Other receivables</u>				
Amounts due from related parties (Note 9)	58,089	53,904	151,037	155,471
Other receivables	20,312	30,375	639	1,854
Insurance claim receivable	14,616	327	-	-
Accrued other income	7,174	13,007	229	331
Interest receivable	132	194	132	166
Accrued rental	41,878	31,179	41,878	31,179
Total other receivables	142,201	128,986	193,915	189,001
Trade and other receivables, net	549,723	579,010	203,899	205,710

The balances of trade accounts receivable - hotel operations as at 31 December 2014 and 2013, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Age of receivables</u>				
Not yet due	122,287	143,017	2,251	244
Past due				
Up to 30 days	87,028	82,865	794	616
31 - 60 days	20,821	22,343	642	493
61 - 90 days	4,212	8,760	490	338
91 - 120 days	5,788	11,037	950	199
Over 120 days	52,593	53,024	-	-
Total	292,729	321,046	5,127	1,890
Less: Allowance for doubtful debts	(10,822)	(12,308)	-	-
Trade accounts receivable - hotel operations, net	281,907	308,738	5,127	1,890

The balances of installments due of trade accounts receivable - sales of property as at 31 December 2014 and 2013, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Age of receivables</u>				
Not yet due	10,336	22,891	-	11,573
Past due				
Up to 30 days	2,678	-	-	-
Trade accounts receivable - sales of property				
- installment due, net	13,014	22,891	-	11,573

The balances of installments due of trade accounts receivable - holiday club memberships as at 31 December 2014 and 2013, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Age of receivables</u>				
Past due				
Up to 30 days	2,624	3,501	-	-
31 - 60 days	458	610	-	-
61 - 90 days	465	497	-	-
91 - 120 days	340	465	-	-
Over 120 days	5,030	4,968	-	-
Total	8,917	10,041	-	-
Less: Allowance for doubtful debts	(2,600)	(2,600)	-	-
Trade accounts receivable - sales of holiday club membership - installment due, net	6,317	7,441	-	-

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, its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2014	2013	2014	2013	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Inter resort payments	-	-	-	6	(1) agreed basis
Estate service expenses	-	-	2	1	(2) at market price
Guarantee fee income	-	-	1	1	(3) agreed basis
Guarantee fee expenses	-	-	3	3	(3) agreed basis
Interest income	-	-	137	128	(5) agreement
Interest expenses	-	-	45	46	(5) agreement
Management fee income	-	-	27	87	(4), (7) agreement
Reimbursement receipts	-	-	22	11	(11) agreed basis
Reimbursement payments	-	-	17	26	(11) agreed basis
Rental and service income	-	-	12	12	(12)(i), (iii) agreement
Rental and service expenses	-	-	6	11	(12)(iv), (v) agreement
Resort service expenses	-	-	8	7	(14) agreed basis
Sale of assets	-	-	4	7	At net book value
Dividend received	-	-	34	-	As declared
<u>Transactions with associated companies</u>					
Inter resort receipts	2	3	-	-	(1) agreed basis
Reimbursement receipts	4	-	-	-	(11) agreed basis
Reimbursement payments	1	1	-	-	(11) agreed basis
Rental and service expenses	1	1	-	-	(12)(i) agreement
Sale of goods	3	2	-	-	(9) agreed basis
Dividend received	-	85	-	-	As declared

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2014	2013	2014	2013	
<u>Transactions with related companies</u>					
Credit card commission receipts	1	1	-	-	(1) agreed basis
Inter resort payments	79	100	-	-	(1) agreed basis
Management fee income	4	3	1	1	(16), (17) agreement
Management fee expenses	253	272	-	-	(6), (15) agreement
Purchase of spa and gallery vouchers	7	9	2	3	(8), (19) agreed basis
Sale of gallery vouchers	1	4	-	-	(8) agreed basis
Sale of goods	39	35	-	-	(9) agreed basis
Reimbursement receipts	91	63	3	3	(11) agreed basis
Reimbursement payments	43	59	8	3	(11) agreed basis
Rental and service income	34	36	-	-	(12)(i), (ii), (iv), (vi), (vii) agreement
Rental and service expenses	1	1	-	-	(12)(viii) agreement
Rental return on hotel units	4	4	-	-	(13) agreement
Resort service income	8	8	-	-	(14) agreed basis
Spa service expenses	1	1	-	-	(19) agreed basis
Training charges	9	9	-	1	(10) agreed basis
<u>Transactions with management and directors</u>					
Interest income	-	1	-	1	(18) agreement

The nature, pricing policy and agreements relating to the above transactions are summarised below:

- (1) These charges relate to goods and services that are consumed by customers in one part of Laguna Phuket but are billed centrally to the customer at the hotel in which the customer is staying. Such charges relate to meals at restaurants, golf fees, treatments at the spa and goods purchased at shops in the resort.

On receiving the funds centrally from the customer, the hotel reimburses the company in which the goods and services are consumed. Actual receipts are paid and credit card commission is charged ranging from 2% to 5% of the revenue based on the commission rate charged by the credit card companies. Such inter resort charges are also incurred at the Banyan Tree Bangkok and Banyan Tree Lijiang primarily for treatments at the spa and goods purchased at the shops.

- (2) Estate maintenance and service charges by Laguna Grande Limited in respect of providing services such as pool cleaning service, gardening service, etc. to residential projects in Laguna Phuket which are charged at market price.
- (3) Guarantee fee among group companies for permitting their assets to be pledged as collateral for other related companies' bank loans by charging on 1% of proportion of value of pledged assets to total loan facilities.
- (4) The Company charges a management fee to its subsidiaries for providing centralised duties and services for each operation in the group. The monthly fixed rate is charged dependent on the department serviced, except the internal audit service is charged by the working hours and project management service is charged as Note (7) below.
- (5) Loans to subsidiaries and between group companies are unsecured and are denominated in Thai Baht. The loans carry interest at a rate equal to the lenders' borrowing costs per annum (based upon commercial bank's interest rates) plus a margin of 1.1%. The loans are repayable on demand, however it is expected that those loans would not be called for repayment in the short-term. Therefore such loans are recorded as non-current assets/liabilities in the statements of financial position.
- (6) The terms of the operating agreements are disclosed in Note 34 and consist of a royalty agreement, hotel management agreement and technical assistance agreement. The payment terms of the contracts are as follows:

Royalty fee paid for the use of "Banyan Tree" and "Angsana" trademarks and all other proprietary rights associated with it.

- (i) Banyan Tree Phuket (Laguna Banyan Tree Limited) pays a royalty fee of 2% of total revenue.
- (ii) Banyan Tree Bangkok (Thai Wah Plaza Limited) and Angsana Laguna Phuket (Bangtao Grande Limited) pay a royalty fee of 3% of total revenue.
- (iii) Banyan Tree Gallery (Thailand) Limited and Banyan Tree Gallery (Singapore) Pte. Ltd. pay a royalty fee of 1% of total revenue.

Hotel management and technical assistance fees.

- (iv) The Technical Assistance Agreement of the Banyan Tree Phuket pays a technical fee of 7.5% of gross operating profit.

- (v) The Technical Assistance Agreement to conduct the golf business pays a basic technical fee of 3% of total revenue and an incentive fee of 10% of gross operating profit which was terminated since August 2013.
- (vi) The Hotel Management Agreement of the Banyan Tree Bangkok and the Angsana Laguna Phuket pays a hotel management fee of 10% of gross operating profit.
- (vii) In addition, pursuant to the hotel management and technical assistance agreements, expenses relating to the sharing of group marketing costs such as promotional campaigns and adverts, sales staff salaries, central reservations and international sales offices incurred by the Banyan Tree and/or Angsana corporate head office shall be charged as follows:
 - Group marketing services shared on a group basis are based on 1.75% of actual hotel revenues plus a share of operating cost of Regional Marketing offices.
 - Reservation service fees are 1% of room revenue plus USD 12 per booking sourced through third party channels.

All management fees are consistent with industry practice and the sharing of group marketing costs incurred by Banyan Tree Phuket, Banyan Tree Bangkok and Angsana Laguna Phuket are the reimbursement of costs benefiting each of the hotels. As a result, these transactions are on normal commercial terms and conditions.

- (7) The Company provides project management services, the contracted fee is set at a rate of 5% of the actual or budgeted costs of the project.
- (8) Purchase of Banyan Tree Spa and Banyan Tree Gallery vouchers for distribution to management to provide an additional benefit scheme. The vouchers are issued yearly to qualifying executives and are valid only within the year of issue. The voucher is priced at the face value of the voucher.
- (9) These transactions relate to:
 - (i) Sale of goods from Banyan Tree Gallery (Thailand) Limited to related companies is priced at a 20% to 35% (2013: 15% to 30%) discount to the retail price depending on the volume purchased.
 - (ii) Sale of guest and spa supplies of high volume purchases from companies which operate galleries to related companies is priced at cost plus up to 35% (2013: 20% to 30%) margin.

- (10) Training charges by Banyan Tree Hotels & Resorts (Thailand) Limited in respect of providing centralised training facilities and courses for staff. The training costs are allocated to each operation based on actual cost.
- (11) Costs are often incurred within the group which is reimbursed by the company to which the expense relates. Actual costs are reimbursed.
- (12) Rental paid for premises and land. The rental periods are not over three years, except some transactions as stated in (12)(i).
- (i) Rental and service fee is on the basis of 5% to 10% of sales revenue which is dependent on criteria such as the location, budgeted sales, term of the lease, size of area leased and type of operation.

<u>Payee</u>	<u>Payer</u>	<u>Rental Period</u>	<u>Expiry Date</u>
BGL	BTRS(T)	30 years	November 2041
LBTL	BTRS(T)	10 years	December 2015

BGL : Bangtao Grande Limited

BTRS(T) : Banyan Tree Resorts & Spas (Thailand) Company Limited

LBTL : Laguna Banyan Tree Limited

- (ii) Rental and service income for space in Banyan Tree Phuket for Banyan Tree Spa office and store is at Baht 1,138 (2013: Baht 1,105) per square metre per month.
- (iii) Rental of space and service in Canal Village. The charges include rental and related service fees which are at market rate.
- (iv) Rental and service income earned by Thai Wah Plaza Limited for renting the office space at Thai Wah Tower I and Banyan Tree Bangkok. The charges include rental and related service fees which are at market rate.
- (v) Rental of land and lagoon on which hotel and hotel-related operations are located are at Baht 117,325 and Baht 11,733 (2013: Baht 113,908 and Baht 11,391) per rai per annum respectively.
- (vi) Service income from rental of Banyan Tree Management Academy is at Baht 128,750 (2013: Baht 125,000) per month.
- (vii) Rental of land on which Spa premises are located is on the basis of Baht 0.7 million per annum.
- (viii) Rental and service fee for Banyan Tree Gallery (Singapore)'s office, monthly rental is SGD 41.98 (2013: SGD 34.56) per square metre.

- (13) This relates to a Management Agreement to manage the hotel units of Cheer Golden Limited in the Angsana Resort & Spa on Bintan Island, Indonesia under which Cheer Golden Limited receives a return of 15% per annum on the investment of the leasehold rights.
- (14) Resort service charged to the operations relates to revenue of Laguna Service Company Limited which provides centralised services to each operation in the group located at Laguna Phuket at the following rates:
- Water supply : at the determined price and actual usage
 - Laundry charge : at the price based on cost plus a certain margin
 - Common area services, : based on actual cost
transportation charges
 - Staff buses : at the price based on cost plus a certain margin
 - Marketing fee : at the rate of 0.75% (2013: 1%) of the operations' actual revenue
 - Community service : based on actual cost
- (15) This relates to architectural and interior design services which the fees are based on construction cost at progressive rates which depend on type of services and type of constructions. The fees are consistent with industry practice. As a result, these transactions are on normal commercial terms and conditions.
- (16) The Technical Assistance Agreement of Laguna Excursions Limited is providing management services and granting the use of leading brand for the recreation department of Banyan Tree Bintan and Angsana Bintan hotels. The technical service fees include a technical services fee at rate of 12.5% of recreation revenue, an incentive fee at the rate of 31% of earnings before interest, tax, depreciation and amortisation, and a royalty fee at the rate of 5% of revenue.
- (17) The Company charges a management fee to Banyan Tree Resorts & Spas (Thailand) Company Limited for providing administration services of information technology and human resources. The monthly fee is Baht 55,000.
- (18) Financial assistance provided to employees for acquisition of a property developed by the Company or its subsidiaries. A staff advance of 10% of selling price of a property is funded by the employee's employer and is repayable by the employee over a period of 5 years with monthly repayments consisting of both interest and principal. A loan by the developer equal to 80% of selling price is to be settled in full with the property developer within 5 years of the property completion. Both advance and loan are subject to interest at the group's cost of fund plus 0.5% per annum.

- (19) This relates to sale of spa and gallery vouchers by companies which operate Banyan Tree Spas and Banyan Tree Gallery to related companies for using as a marketing tool. The Spa vouchers are priced at a 20% to 60% (2013: 20% to 40%) discount to the Spa price list. The Gallery vouchers are priced at 20% to 40% discount to the face value of the voucher.

The Company has contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of its subsidiaries as follows:

	(Unit: Million Baht)	
	2014	2013
Overdrafts and bank guarantee facilities	106	106

Subsidiaries have contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of the Company and other subsidiaries as follows:

	(Unit: Million Baht)	
	2014	2013
Short-term loan facilities	170	170
Overdrafts and bank guarantee facilities	10	10

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Amounts due from related parties				
Subsidiaries	-	-	149,739	153,156
Associated companies	5,020	594	-	-
Related companies (related by common shareholders)	53,069	53,310	1,298	2,315
Total amounts due from related parties (Note 8)	58,089	53,904	151,037	155,471
Amounts due to related parties				
Subsidiaries	-	-	7,940	8,546
Associated companies	-	70	-	-
Related companies (related by common shareholders)	72,542	65,444	8	1,542
Total amounts due to related parties (Note 21)	72,542	65,514	7,948	10,088

Loans to subsidiaries and employees and long-term loans from subsidiaries

As at 31 December 2014 and 2013, the balance of loans between the Company, employees and those related companies and the movement are as follows:

Long-term loans to subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2014	Addition	Repayment	31 December 2014
Laguna Banyan Tree Limited	1,107,600	551,300	(525,800)	1,133,100
Laguna Holiday Club Limited	12,380	27,620	(40,000)	-
Laguna Lakes Limited	438,001	25,500	(33,000)	430,501
TWR-Holdings Limited	390,020	1,368,000	(1,064,600)	693,420
Total	1,948,001	1,972,420	(1,663,400)	2,257,021

Long-term loans to employees

(Unit: Thousand Baht)

Employees of the companies	Consolidated financial statements		
	1 January 2014	Repayment	31 December 2014
Laguna Resorts & Hotels Public Company Limited	23	(23)	-
Banyan Tree Gallery (Thailand) Limited	41	(41)	-
Thai Wah Plaza Limited	119	(119)	-
Total	183	(183)	-

(Unit: Thousand Baht)

Employees of the companies	Separate financial statements		
	1 January 2014	Repayment	31 December 2014
Laguna Resorts & Hotels Public Company Limited	23	(23)	-

Long-term loans to employees related to loans for property purchased under the Group's employee financing scheme and loans for flood relief. The loans for property purchased under the Group's employee financing scheme are charged interest at the rate of the Group's cost of funds plus a margin of 0.5%. The loans are repayable within 5 years commencing from the date on which the loan is drawn down. The loans for flood relief are for repairing employees' houses which were damaged in the 2011 Bangkok flood. These loans are interest free and repayable within 4 months to 2 years.

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2014	Addition	Repayment	31 December 2014
Laguna Grande Limited	670,950	893,800	(817,800)	746,950
Laguna Holiday Club Limited	-	39,400	(25,400)	14,000
Laguna (3) Limited	2,900	2,000	-	4,900
Total	673,850	935,200	(843,200)	765,850

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	85,237	98,581	38,824	63,072
Post-employment benefits	532	647	265	504
Other long-term employee benefits	38	31	16	19
Total	<u>85,807</u>	<u>99,259</u>	<u>39,105</u>	<u>63,595</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 35 b).

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Food and beverage	25,110	21,665	-	-	25,110	21,665
Finished goods and supplies	82,835	103,311	(166)	(1,844)	82,669	101,467
Total	107,945	124,976	(166)	(1,844)	107,779	123,132

11. Property development cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Property for sale under holiday club memberships	433,640	434,198	-	-
Completed buildings	564,535	718,808	72,371	123,225
Land	1,858,078	1,871,750	112,101	113,034
Leasehold land	44,041	44,041	-	-
Property under construction	988,415	346,017	8,795	8,795
Total	<u>3,888,709</u>	<u>3,414,814</u>	<u>193,267</u>	<u>245,054</u>

Subsidiaries have mortgaged property development cost amounting to Baht 878 million (2013: Baht 616 million) as collateral against its credit facilities received from financial institutions.

12. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Value added tax	42,279	49,861	4,586	10,818
Prepaid expenses and withholding tax deducted at source	65,454	71,970	7,102	7,594
Advances to suppliers and staffs	39,179	62,913	614	3,501
Income tax and VAT refundable	32,006	20,028	11,236	5,012
Total	<u>178,918</u>	<u>204,772</u>	<u>23,538</u>	<u>26,925</u>

13. Long-term trade accounts receivable

Long-term trade accounts receivable consist of:

- 13.1 Installments receivable from property sales which bear interest at a rate of 5.0% - 12.0%, MLR plus 0.5% and the group's cost of funds plus 0.5% per annum and installments are repaid over a period of 3 to 10 years.

- 13.2 Installments receivable from sales of holiday club memberships which bear interest at a rate of 7.5% - 9.0% per annum and installments are repaid over a period of 2 to 5 years.

Long-term trade accounts receivable are due as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2014	2013
Current portion of long-term trade accounts receivable	106,284	110,954
Long-term trade accounts receivable	165,044	144,443
Total	271,328	255,397
Sales of property		
Within 1 year (Note 8)	84,262	81,670
Over 1 year to 5 years	158,152	136,019
Over 5 years	1,551	-
Long-term trade accounts receivable - sales of property	243,965	217,689
Sales of holiday club memberships		
Within 1 year (Note 8)	22,022	29,284
Over 1 year to 5 years	5,341	8,424
Long-term trade accounts receivable - sales of holiday club memberships	27,363	37,708
Total	271,328	255,397

	(Unit: Thousand Baht)	
	Separate financial statements	
	2014	2013
Current portion of long-term trade accounts receivable	4,857	3,246
Long-term trade accounts receivable	-	14,063
Total	4,857	17,309
Sales of property		
Within 1 year (Note 8)	4,857	3,246
Over 1 year to 5 years	-	14,063
Long-term trade accounts receivable - sales of property	4,857	17,309

14. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year 31 December	
	2014	2013	2014	2013	2014	2013	2014	2013
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
<u>Subsidiaries held by the Company</u>								
Banyan Tree Gallery (Singapore) Pte Limited	SGD 0.43	SGD 0.43	51.0	51.0	4.0	4.0	-	-
Banyan Tree Gallery (Thailand) Limited	7.8	7.8	51.0	51.0	4.0	4.0	-	-
Laguna Banyan Tree Limited ⁽¹⁾	500.0	500.0	100.0	100.0	835.1	835.1	-	-
Laguna Holiday Club Limited	330.0	330.0	100.0	100.0	330.0	330.0	16.5	-
Laguna Grande Limited	1,000.0	1,000.0	100.0	100.0	984.8	984.8	17.6	-
Laguna Lakes Limited	1.0	1.0	94.9	94.9	0.9	0.9	-	-
Laguna Service Company Limited ⁽²⁾	90.5	90.5	72.9	72.9	22.4	22.4	-	-
Laguna (3) Limited	0.1	0.1	100.0	100.0	47.8	47.8	-	-
TWR - Holdings Limited	1,250.0	1,250.0	100.0	100.0	1,250.0	1,250.0	-	-
<u>Subsidiaries held through TWR - Holdings Limited</u>								
Laguna Excursions Limited	8.0	8.0	49.0	49.0	-	-	-	-
Laguna Village Limited	6.0	6.0	100.0	100.0	-	-	-	-
Mae Chan Property Company Limited	232.3	232.3	100.0	100.0	-	-	-	-
Pai Samart Development Company Limited	28.4	28.4	100.0	100.0	-	-	-	-
Phuket Resort Development Limited	41.4	41.4	100.0	100.0	-	-	-	-
PT AVC Indonesia	USD 0.9	USD 0.9	100.0	100.0	-	-	-	-
	Million	Million						
Talang Development Company Limited	251.0	251.0	50.0	50.0	-	-	-	-
Thai Wah Plaza Limited	2,250.0	2,250.0	100.0	100.0	-	-	-	-
Thai Wah Tower Company Limited	455.0	455.0	100.0	100.0	-	-	-	-
Thai Wah Tower (2) Company Limited	21.0	21.0	100.0	100.0	-	-	-	-
Twin Waters Development Company Limited	214.4	214.4	100.0	100.0	-	-	-	-
<u>Subsidiaries held through Laguna Grande Limited</u>								
Bangtao (1) Limited	20.9	20.9	100.0	100.0	-	-	-	-
Bangtao (2) Limited	19.1	19.1	100.0	100.0	-	-	-	-
Bangtao (3) Limited	7.8	7.8	100.0	100.0	-	-	-	-
Bangtao (4) Limited	14.6	14.6	100.0	100.0	-	-	-	-
Bangtao Development Limited	80.0	80.0	100.0	100.0	-	-	-	-
Bangtao Grande Limited	1,546.0	1,546.0	100.0	100.0	-	-	-	-
Laguna Central Limited	1.0	1.0	85.0	85.0	-	-	-	-
<u>Subsidiary held through Banyan Tree Gallery (Singapore) Pte Limited</u>								
Lijiang Banyan Tree Gallery Trading Company Limited	USD 75	USD 75	51.0	51.0	-	-	-	-
	Thousands	Thousands						
<u>Subsidiary held through Laguna Holiday Club Limited</u>								
Cheer Golden Limited	-	-	100.0	100.0	-	-	-	-
Total investments in subsidiaries					3,479.0	3,479.0	34.1	-

(1) Laguna Banyan Tree Limited is held 49% by the Company and 51% through TWR - Holdings Limited

(2) Laguna Services Company Limited is held by the Company and 2 subsidiaries

A subsidiary has a 49% shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the income of this subsidiary at 100% after deducting the cumulative preferential annual dividend of 15% of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

The Company has goodwill from purchase of shares in subsidiaries as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Thai Wah Plaza Limited	56,976	56,976
Laguna Banyan Tree Limited	350,928	350,928
Total	407,904	407,904

15. Investments in associates

15.1 Details of associates:

(Unit: Thousand Baht)

Company' name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014	2013	2014	2013	2014	2013
			(%)	(%)				
Lijiang Banyan Tree Hotel Co., Ltd.	Hotel operations and property development	The People's Republic of China	49	49	348,414	348,414	409,465	456,568
Tropical Resorts Ltd.	Holding company	Hong Kong	26	26	17,673	17,673	-	-
					(17,673)	(17,673)	-	-
Less: Allowance for impairment of investment					-	-	-	-
Total investments in associates - net					348,414	348,414	409,465	456,568

Lijiang Banyan Tree Hotel Co., Ltd., held by Laguna Banyan Tree Limited, was incorporated in the People's Republic of China and is engaged in the hotel business and property development.

Tropical Resorts Ltd., held by Laguna Banyan Tree Limited, was incorporated in Hong Kong and is engaged in investment holding.

15.2 Share of loss

During the years, the subsidiary has recognised their share of loss from investment in associate company in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of loss from investment in associate during the years	
	2014	2013
Lijiang Banyan Tree Hotel Co., Ltd.	(36,189)	(21,066)

15.3 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenue for the years ended 31 December		Loss for the years ended 31 December	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	million	million								
Lijiang Banyan Tree Hotel Co., Ltd.	USD 18.4	USD 18.4	1,942	1,967	1,115	1,044	382	413	(73)	(42)
Tropical Resorts Ltd.	USD 21.0	USD 21.0	1,718	1,789	2,271	2,061	494	460	(194)	(305)
	million	million								

The value of investments in associates, accounted for under the equity method was calculated based on unaudited financial statements of the companies prepared by their management.

15.4 The subsidiaries recognised its share of losses from the investments in Tropical Resorts Ltd. until the value of the investments approached zero. Subsequent losses incurred by those associates have not been recognised in the subsidiaries' accounts since the subsidiaries have no obligations, whether legal or constructive, to make any payments on behalf of the associates.

16. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Investment in available-for-sale security				
Thai Wah Starch Public Company Limited	334,627	334,627	31,161	31,161
Less: Allowance for impairment of investment	-	(89,339)	-	-
	334,627	245,288	31,161	31,161
Unrealised gain on available-for-sale security	67,798	-	371,264	214,127
Total investment in available-for-sale security - net	402,425	245,288	402,425	245,288
Investments in other companies				
Bibace Investments Ltd.	188,425	188,425	-	-
Banyan Tree Indochina Hospitality Fund, L.P.	417,940	417,939	-	-
Total investments in other companies	606,365	606,364	-	-
Total other long-term investments - net	1,008,790	851,652	402,425	245,288

During the year 2014, the Company has reversed allowance for impairment of investment in Thai Wah Starch Public Company Limited in consolidated financial statements amounting to Baht 89 million (2013: Baht 245 million). (Separate financial statements: Nil, 2013: Baht 31 million).

17. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements					
	2014			2013		
	Units in			Units in		
	Land	office		Land	office	
	awaiting for	building and		awaiting for	building and	
	development	shops		development	shops	
	/ sales	for rent	Total	/ sales	for rent	Total
Balance at beginning of year	358,075	742,560	1,100,635	354,300	722,244	1,076,544
Addition	74	7,445	7,519	-	-	-
Net gain (loss) from a fair value adjustment	18,747	(14,625)	4,122	3,775	20,316	24,091
Balance at end of year	376,896	735,380	1,112,276	358,075	742,560	1,100,635

(Unit: Thousand Baht)

	Separate financial statements					
	2014			2013		
	Land	Units in office building and shops for rent	Total	Land	Units in Office building and shops for rent	Total
	awaiting for development / sales			awaiting for development / sales		
Balance at beginning of year	135,138	33,860	168,998	138,671	31,244	169,915
Addition	74	-	74	-	-	-
Net gain (loss) from a fair value adjustment	6,533	5,620	12,153	(3,533)	2,616	(917)
Balance at end of year	141,745	39,480	181,225	135,138	33,860	168,998

The fair value of the investment properties has been determined based on valuation performed by an accredited independent valuer, using the basis as follows:

- Land awaiting development / sales was revalued using the Market Approach.
- Units in office building and shops for rent were revalued using the Income Approach.

Key assumptions used in the valuation include yield rate, long-term vacancy rate and long-term growth in real rental rates.

As at 31 December 2014, the subsidiaries have pledged investment properties amounting to approximately Baht 696 million (2013: Baht 709 million) as collateral against credit facilities received from financial institutions.

18. Property, plant and equipment

Consolidated financial statements

Assets carried at cost

(Unit: Thousand Baht)

	Land and land improvement	Building and improvement	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
At cost										
As at 1 January 2013	1,535,128	4,344,819	298,236	1,926,683	1,338,459	416,573	52,258	191,910	70,973	10,175,039
Additions	-	32,525	-	33,808	20,968	31,166	548	8,836	104,268	231,909
Disposals and write off	(17,875)	(719)	-	(586,216)	(405,322)	(92,174)	(9)	(28,693)	(5,609)	(1,136,617)
Transfers in/out	-	53,145	-	26,148	590	-	1,511	1,082	(82,476)	-
Transfer to property development cost	(46,239)	-	-	-	(4,170)	-	-	-	-	(50,409)
Transfer from property development cost	-	59,973	-	11,333	822	-	-	-	-	72,128
Adjustments	(2)	(1,362)	-	-	(1,609)	(925)	872	(240)	1,536	(1,730)
As at 31 December 2013	1,471,012	4,488,381	298,236	1,411,554	949,738	354,630	55,180	172,897	88,692	9,290,320
Additions	-	21,136	-	35,637	23,730	48,825	-	6,495	174,886	310,709
Disposals and write off	-	(22)	-	(5,054)	(18,818)	(7,456)	-	(3,315)	-	(34,665)
Transfers in/out	-	9,154	-	38,040	286	1,567	-	771	(49,818)	-
Transfer from property development cost	-	28,981	-	-	897	-	-	-	-	29,878
Adjustments	-	(854)	-	-	(1,280)	(198)	-	(44)	(7,445)	(9,832)
As at 31 December 2014	1,471,012	4,546,766	298,236	1,480,177	954,553	397,367	55,180	176,804	206,315	9,586,410
Accumulated depreciation										
As at 1 January 2013	(517)	(1,074,802)	(285,214)	(1,396,029)	(1,144,034)	(298,792)	(17,682)	(154,984)	-	(4,371,854)
Depreciation charged for the year	(54)	(99,666)	(2,754)	(82,026)	(80,310)	(40,363)	(4,062)	(12,814)	-	(282,049)
Disposals and write-off	-	295	-	586,224	405,163	91,163	9	28,205	-	1,111,069
Transfer to property development cost	-	-	-	-	3,316	-	-	-	-	3,316
Adjustments	-	1,242	-	(2)	200	1,100	(1,397)	(725)	-	428
As at 31 December 2013	(571)	(1,172,731)	(287,968)	(871,833)	(795,645)	(246,902)	(23,122)	(140,318)	-	(3,539,090)
Depreciation charged for the year	-	(111,200)	(2,754)	(70,237)	(54,320)	(39,156)	(8,157)	(10,159)	-	(295,977)
Disposals and write-off	-	-	-	4,976	17,918	7,390	-	9,111	-	33,395
Adjustments	-	63	-	-	574	(102)	-	53	-	588
As at 31 December 2014	(571)	(1,283,868)	(290,722)	(937,094)	(831,473)	(278,770)	(31,279)	(147,307)	-	(3,801,084)

Consolidated financial statements (continued)

Assets carried at cost

(Unit: Thousand Baht)

	Land and land improvement	Building and improvement	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
Allowance for impairment loss										
As at 1 January 2013	-	(12,308)	-	(102)	-	-	(5,193)	-	-	(17,604)
Reversal	-	53	-	-	-	-	-	-	-	53
As at 31 December 2013	-	(12,255)	-	(102)	-	-	(5,193)	-	-	(17,551)
Adjustments	-	935	-	102	-	-	3,895	-	-	4,932
As at 31 December 2014	-	(11,321)	-	-	-	-	(1,298)	-	-	(12,619)
Net book value - At cost										
As at 1 January 2013	1,534,611	3,257,908	13,022	530,552	194,425	117,781	25,383	36,926	70,973	5,785,581
As at 31 December 2013	1,470,441	3,303,394	10,288	539,619	154,093	107,728	26,865	32,579	88,692	5,733,679
As at 31 December 2014	1,470,441	3,251,577	7,514	543,083	123,080	118,597	22,603	29,497	206,315	5,772,707

Consolidated financial statements (continued)

Assets carried at revalued amount

(Unit: Thousand Baht)

	Land and land improvement	Building and improvement	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
Revaluation portion										
As at 1 January 2013	6,834,963	276,789	-	-	-	-	-	-	-	7,111,752
Transfer to property development cost	(1,105,100)	-	-	-	-	-	-	-	-	(1,105,100)
Transfer to investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation surplus	(1,298,480)	(218,561)	-	-	-	-	-	-	-	(1,517,041)
As at 31 December 2013	4,431,383	58,228	-	-	-	-	-	-	-	4,489,611
As at 31 December 2014	4,431,383	58,228	-	-	-	-	-	-	-	4,489,611
Accumulated depreciation										
As at 1 January 2013	-	(77,928)	-	-	-	-	-	-	-	(77,928)
Depreciation of revaluation surplus on assets	-	(4,197)	-	-	-	-	-	-	-	(4,197)
Reversal of revaluation surplus	-	65,911	-	-	-	-	-	-	-	65,911
As at 31 December 2013	-	(16,214)	-	-	-	-	-	-	-	(16,214)
Depreciation of revaluation surplus on assets	-	(1,216)	-	-	-	-	-	-	-	(1,216)
As at 31 December 2014	-	(17,430)	-	-	-	-	-	-	-	(17,430)
Net book value - revaluation portion										
As at 1 January 2013	6,834,963	198,861	-	-	-	-	-	-	-	7,033,824
As at 31 December 2013	4,431,383	42,014	-	-	-	-	-	-	-	4,473,397
As at 31 December 2014	4,431,383	40,798	-	-	-	-	-	-	-	4,472,181

Consolidated financial statements (continued)

Assets carried at revalued amount

(Unit: Thousand Baht)

	Land and land improvement	Building and improvement	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
Property, plant and equipment - net										
As at 1 January 2013	8,369,574	3,456,766	13,022	530,552	194,425	117,781	29,383	36,926	70,973	12,819,405
As at 31 December 2013	5,901,824	3,345,408	10,268	539,619	154,083	107,728	26,865	32,579	88,652	10,207,076
As at 31 December 2014	5,901,824	3,292,375	7,514	543,083	123,080	118,597	22,803	29,497	206,315	10,244,888
Depreciation for the year										
2013										286,246
2014										282,261

Separate financial statements

Assets carried at cost

(Unit: Thousand Baht)

	Land and land improvement	Building	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in process	Total
At cost									
As at 1 January 2013	11,560	68,629	10,915	23,523	33,503	1,369	7,640	3,718	160,857
Additions	-	1,402	-	487	480	-	-	6,660	9,029
Transfer to property development cost	(11,371)	-	-	-	-	-	-	-	(11,371)
Disposal and write off	-	(13,429)	-	(12,133)	(11,997)	-	-	(3,582)	(41,141)
Adjustment	-	-	-	(13)	-	-	-	-	(13)
As at 31 December 2013	189	56,602	10,915	11,864	21,986	1,369	7,640	6,796	117,361
Additions	-	188	202	268	1,566	-	-	5,657	7,881
Disposal and write off	-	-	(8,005)	(469)	(650)	-	-	-	(9,124)
Transfer in/out	-	-	12,453	-	-	-	-	(12,453)	-
As at 31 December 2014	189	56,790	15,565	11,663	22,902	1,369	7,640	-	116,118
Accumulated depreciation									
As at 1 January 2013	-	(30,270)	(4,045)	(21,527)	(29,411)	(1,067)	(7,255)	-	(93,575)
Depreciation charged for the year	-	(1,985)	(728)	(866)	(1,987)	(111)	(102)	-	(5,779)
Disposal and write off	-	6,216	-	11,758	11,256	-	-	-	29,230
Adjustment	-	-	-	(18)	-	-	-	-	(18)
As at 31 December 2013	-	(26,039)	(4,773)	(10,653)	(20,142)	(1,178)	(7,357)	-	(70,142)
Depreciation charged for the year	-	(1,743)	(1,096)	(390)	(1,136)	(63)	(67)	-	(4,515)
Disposal and write off	-	-	3,638	443	649	-	-	-	4,730
As at 31 December 2014	-	(27,782)	(2,231)	(10,600)	(20,629)	(1,261)	(7,424)	-	(69,927)

Separate financial statements (continued)

Assets carried at cost

(Unit: Thousand Baht)

	Land and land improvement	Building	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in process	Total
Allowance for impairment loss									
As at 1 January 2013	-	(7,356)	-	-	-	-	-	-	(7,356)
Reversal	-	7,356	-	-	-	-	-	-	7,356
As at 31 December 2013	-	-	-	-	-	-	-	-	-
As at 31 December 2014	-	-	-	-	-	-	-	-	-
Net book value - At cost									
As at 1 January 2013	11,560	31,003	6,870	1,996	4,092	302	385	3,718	59,926
As at 31 December 2013	189	30,563	6,142	1,211	1,844	191	283	6,796	47,219
As at 31 December 2014	189	29,008	13,334	1,063	2,273	108	216	-	46,191

Separate financial statements (continued)

Assets carried at revalued amount

(Unit: Thousand Baht)

	Land and land improvement	Building	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in process	Total
Revaluation portion									
As at 1 January 2013	114,466	-	-	-	-	-	-	-	114,466
Additions	(12,822)	3,657	-	-	-	-	-	-	(9,165)
Transfer to investment properties	(100,058)	-	-	-	-	-	-	-	(100,058)
As at 31 December 2013	1,586	3,657	-	-	-	-	-	-	5,243
As at 31 December 2014	1,586	3,657	-	-	-	-	-	-	5,243
Accumulated depreciation									
As at 1 January 2013	-	-	-	-	-	-	-	-	-
Depreciation of revaluation surplus on assets	-	(1,584)	-	-	-	-	-	-	(1,584)
As at 31 December 2013	-	(1,584)	-	-	-	-	-	-	(1,584)
Depreciation of revaluation surplus on assets	-	(54)	-	-	-	-	-	-	(54)
As at 31 December 2014	-	(1,638)	-	-	-	-	-	-	(1,638)
Net book value - revaluation portion									
As at 1 January 2013	114,466	-	-	-	-	-	-	-	114,466
As at 31 December 2013	1,586	2,073	-	-	-	-	-	-	3,659
As at 31 December 2014	1,586	2,019	-	-	-	-	-	-	3,605
Property, plant and equipment - net									
As at 1 January 2013	126,026	31,003	6,870	1,996	4,092	302	385	3,718	174,392
As at 31 December 2013	1,775	32,636	6,142	1,211	1,844	191	283	6,796	50,878
As at 31 December 2014	1,775	31,027	13,334	1,063	2,273	108	216	-	49,796
Depreciation for the year									
2013									5,779
2014									4,569

The Company and subsidiaries arranged for an independent professional valuer to re-appraise the value of certain assets in the report dated 24 December 2013 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the Market Approach.
- Buildings were revalued using the Replacement Cost Approach.

As at 31 December 2014, certain buildings and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation, of those assets amounted to Baht 1,818 million (2013: Baht 1,678 million). (Separate financial statements: Baht 20 million, 2013: Baht 17 million).

The subsidiaries have mortgaged land and buildings at fair value of Baht 5,570 million (2013: Baht 6,725 million) as collateral against credit facilities received from financial institutions.

19. Leasehold rights

(Unit: Thousand Baht)

	<u>Hotel units</u>
Cost	
As at 1 January 2014	49,930
Exchange rate adjustment 2014	(806)
As at 31 December 2014	<u>49,124</u>
Accumulated amortisation	
As at 1 January 2014	(27,017)
Amortisation of 2014	(2,658)
As at 31 December 2014	<u>(29,675)</u>
Net book value	
As at 1 January 2014	<u>22,913</u>
As at 31 December 2014	<u>19,449</u>

(Unit: Thousand Baht)

	<u>Hotel units</u>
Cost	
As at 1 January 2013	49,225
Exchange rate adjustment 2013	705
As at 31 December 2013	<u>49,930</u>
Accumulated amortisation	
As at 1 January 2013	(24,459)
Amortisation of 2013	(2,558)
As at 31 December 2013	<u>(27,017)</u>
Net book value	
As at 1 January 2013	<u>24,766</u>
As at 31 December 2013	<u>22,913</u>

Leasehold rights of hotel units are amortised over the term of the lease of 20 years from July 2002 to June 2022.

20. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Short-term loans from financial institutions	3.60 - 4.10	<u>710,000</u>	<u>170,000</u>	<u>360,000</u>	<u>150,000</u>
Total		<u>710,000</u>	<u>170,000</u>	<u>360,000</u>	<u>150,000</u>

These short-term loans from financial institutions are secured by the mortgage of plots of land and buildings of the Company and its subsidiaries, as described in Note 18 and by the guarantee provided by subsidiaries.

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts payable	291,738	171,435	2,014	1,536
Amounts due to related parties (Note 9)	72,542	65,514	7,948	10,088
Accrued expenses	155,125	211,694	5,938	25,639
Other payables	78,270	40,279	637	5,064
Construction payables	-	23,632	-	-
Service charge payable to hotel staff	31,718	31,243	-	-
Accrued rental to villa owners	58,180	64,777	8,389	8,897
Total	687,573	608,574	24,926	51,224

22. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Value added tax payable	49,383	52,161	4,042	3,915
Unearned income	47,194	48,133	-	-
Other tax payable	17,120	12,807	2,244	754
Short-term provision	8,363	6,037	3,673	2,819
Total	122,060	119,138	9,959	7,488

23. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Secured	2,477,326	2,970,326	105,000	175,000
Long-term loans are repayable as follows:				
Within 1 year	657,750	457,000	70,000	70,000
Over 1 year to 5 years	1,579,576	2,103,526	35,000	105,000
Over 5 years	240,000	409,800	-	-
	1,819,576	2,513,326	35,000	105,000
Total	2,477,326	2,970,326	105,000	175,000

Long-term loans consist of the following:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>The Company</u>				
(1) Baht loan from a bank, with a facility of Baht 420 million repayable quarterly from July 2010 to April 2016, at an interest rate as follows: 2012 onwards: MLR less 1% and 1.5% per annum	105,000	175,000	105,000	175,000
<u>Subsidiaries</u>				
(2) Baht loan from a bank, with a facility of Baht 100 million, repayable quarterly from July 2008 to April 2014, at an interest rate as follows: 2012 onwards: MLR less 1.5% per annum	-	30,000	-	-
(3) Baht loan from a bank, with a facility of Baht 1,000 million ^(a) repayable quarterly from October 2009 to April 2019, at an interest rate as follows: 2012 onwards: MLR less 0.5%, 1% and 1.5% per annum	853,550	863,300	-	-
(4) Baht loan from a bank, with a facility of Baht 145 million repayable quarterly from August 2010 to May 2016, at an interest rate as follows: 2012 onwards: MLR less 1% and 1.5% per annum	131,500	134,500	-	-
(5) Baht loan from a bank, with a facility of Baht 700 million ^(a) repayable quarterly from April 2012 to January 2016, at an interest rate as follows: 2012 onwards: MLR less 1% and 1.25% per annum	191,187	364,887	-	-
(6) Baht loan from a bank, with a facility of Baht 900 million ^(a) repayable quarterly from June 2014 to September 2018, at an interest rate as follows: 2012 onwards: MLR less 1% and 1.25% per annum	232,479	261,729	-	-
(7) Baht loan from a bank, with a facility of Baht 520 million repayable quarterly from June 2014 to March 2018, at an interest rate as follows: 2012 onwards: MLR less 1% and 1.5% per annum	323,610	421,110	-	-
(8) Baht loan from a bank, with a facility of Baht 800 million repayable quarterly from March 2013 to December 2022, at an interest rate as follows: 2012 onwards: MLR less 1% and 1.5% per annum	640,000	720,000	-	-
Total long-term loans from financial institutions	<u>2,477,326</u>	<u>2,970,326</u>	<u>105,000</u>	<u>175,000</u>

MLR: Minimum Lending Rate

(a) Also subject to mandatory prepayment in inverse order of maturity upon the ownership transfer of property sales units.

The loans are secured by mortgage of plots of land and buildings of its subsidiaries, as described in Note 11, 17 and Note 18. The loan in (7) above is guaranteed by a subsidiary.

The loan agreements contain several covenants which, among other things, require the Company and its subsidiaries to maintain debt to equity ratios and debt service coverage ratios at the rate prescribed in the agreements.

As at 31 December 2013, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 99 million (2014: Nil).

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	2014			2013		
	Other			Other		
	Severance payments	benefits plans	Total	Severance payments	benefits plans	Total
Defined benefit obligation at beginning of year	26,570	27,831	54,401	25,477	27,985	53,462
Current service cost	2,671	2,880	5,551	3,303	3,923	7,226
Interest cost	1,065	985	2,050	914	995	1,909
Benefits paid during the year	(5,601)	(3,779)	(9,380)	(16,516)	(11,523)	(28,039)
Actuarial loss	-	-	-	13,392	6,451	19,843
Defined benefit obligation at end of year	24,705	27,917	52,622	26,570	27,831	54,401

(Unit: Thousand Baht)

	Separate financial statements					
	2014			2013		
	Other			Other		
	Severance payments	benefits plans	Total	Severance payments	benefits plans	Total
Defined benefit obligation at beginning of year	8,349	3,320	11,669	6,192	3,692	9,884
Current service cost	397	179	576	740	908	1,648
Interest cost	266	108	374	222	132	354
Benefits paid during the year	(93)	(175)	(268)	(3,019)	(1,604)	(4,623)
Actuarial loss	-	-	-	4,214	192	4,406
Transfer	(1,831)	(498)	(2,329)	-	-	-
Defined benefit obligation at end of year	7,088	2,934	10,022	8,349	3,320	11,669

Long-term employee benefit expenses included in the profit or loss consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current service cost	5,551	7,226	576	1,648
Interest cost	2,050	1,909	374	354
Actuarial loss recognised during the year	-	6,451	-	192
Total expenses recognised in profit or loss	7,601	15,586	950	2,194
Line items in profit or loss under which such expenses are included				
Cost of sales	6,333	13,570	32	98
Selling and administrative expenses	1,268	2,016	918	2,096

As at 31 December 2014, cumulative actuarial gains (net of actuarial losses), which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 27 million (2013: Baht 27 million) (Separate financial statements: Baht 6 million and 2013: Baht 6 million).

Key actuarial assumptions used for valuation are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.25	4.25	4.25	4.25
Future salary increase rate	3.0	3.0	3.0	3.0
Staff turnover rate (depending on age)	10.4 - 30.4	10.4 - 30.4	10.4 - 30.4	10.4 - 30.4

The amount of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

	(Unit: Thousand Baht)			
	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	52,622	10,022	-	-
Year 2013	54,401	11,669	4,464	1,138
Year 2012	53,462	9,884	(23,990)	(4,369)
Year 2011	120,857	33,597	-	-
Year 2010	94,668	27,737	-	-

25. Capital reserve

The capital reserve relates to the accounting of assets in subsidiaries at their fair values as at the acquisition date and cannot be used for dividend payments.

26. Revaluation surplus

This represents surplus arising from revaluation of property, plant and equipment.

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
Balance - beginning of year	3,935,218	5,096,121	136,986	145,585
Reversal of revaluation surplus on assets	-	(1,160,903)	-	(8,599)
Balance - end of year	3,935,218	3,935,218	136,986	136,986

The revaluation surplus can neither be offset against a deficit nor used for dividend payment.

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

28. Other income

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
Interest income	20,217	25,241	138,506	133,790
Dividend income	25,551	12,775	59,605	12,775
Gain on change in fair value of investment properties	4,122	24,091	12,153	-
Management fee income	-	-	28,110	88,915
Other	20,971	28,911	6,746	2,282
Total	70,861	91,018	245,120	237,762

29. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
Salaries, wages and other employee benefits	997,186	1,258,269	107,715	182,935
Depreciation	292,261	286,246	4,569	5,779
Rental expenses from operating lease agreements	239,153	238,505	37,540	37,407
Repairs and maintenance	163,063	161,736	1,920	2,718
Water and electricity	211,384	219,516	5,905	6,753
Legal and professional fees	5,378	29,528	2,206	3,125
Management, incentive fee and royalty fees	147,710	167,139	-	-
Commission	142,696	131,339	-	-
Sales and marketing expenses	212,161	214,966	5,240	13,127
Food and beverage cost	295,000	335,792	-	-
Increase in land and construction during the year	898,484	1,364,731	908	111,901
Change in property development cost	(473,895)	(1,027,304)	51,787	288

30. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	40,563	37,534	-	-
Adjustment in respect of income tax of previous year	316	(674)	-	-
Write off prepaid withholding tax	-	24,902	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(32,248)	23,617	12,058	34,283
Income tax expense reported in the income statement	8,631	85,379	12,058	34,283

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax relating to actuarial loss of post-employment benefits	-	2,679	-	843
Deferred tax relating to unrealised gain on available-for-sale security	(13,560)	-	(31,427)	(42,825)
Deferred tax relating to addition of revaluation surplus on assets	-	290,226	-	2,150
	<u>(13,560)</u>	<u>292,905</u>	<u>(31,427)</u>	<u>(39,832)</u>

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before income tax	29,854	202,017	99,572	119,280
Applicable tax rate	0%-25%	0%-25%	20%	20%
Accounting profit before tax multiplied by income tax rate	5,861	38,335	19,914	23,856
Adjustment in respect of income tax of previous year	317	(674)	-	-
Effects of changes in the tax rates	-	-	-	-
Write off prepaid withholding tax	-	24,902	-	-
Effects of:				
Reversal of loss on impairment of investment	(17,867)	(49,058)	-	(6,232)
Dividend income	(5,110)	(2,555)	(11,921)	(2,555)
Differences arising from revenue recognition	-	10,849	-	10,849
Unused tax losses	14,367	33,940	-	-
Non-taxable expenses	11,063	27,847	4,065	7,181
Other	-	1,793	-	1,184
Total	<u>2,453</u>	<u>22,816</u>	<u>(7,856)</u>	<u>10,427</u>
Income tax expense reported in the statement of comprehensive income	<u>8,631</u>	<u>85,379</u>	<u>12,058</u>	<u>34,283</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	Statements of financial position	
	2014	2013
Deferred tax assets (liabilities)		
Unutilised tax losses	189,581	161,753
Provision for long-term employee benefits	10,524	10,880
Temporary differences arising from revenue recognition	-	(1,245)
Intercompany charges to property development cost and property, plant and equipment	23,470	34,885
Other items of deferred tax assets	11,986	8,685
Revaluation surplus on assets	(1,373,859)	(1,374,124)
Temporary differences arising from revenue recognition	(653,515)	(675,752)
Gain on change in fair value of investment properties	(156,788)	(154,950)
Unrealised gain on available-for-sales security	(13,560)	-
Other items of deferred tax liabilities	(33,895)	(26,371)
Net deferred tax liabilities	(1,996,056)	(2,016,239)

Reflected in the statements of financial position as follows:

Deferred tax assets	95,534	81,589
Deferred tax liabilities	(2,091,590)	(2,097,828)
Deferred tax liabilities, net	(1,996,056)	(2,016,239)

(Unit: Thousand Baht)

	Separate financial statements	
	Statements of financial position	
	2014	2013
Deferred tax assets (liabilities)		
Unutilised tax losses	15,869	24,236
Provision for long-term employee benefits	2,004	2,334
Other items of deferred tax assets	935	764
Revaluation surplus on assets	(20,732)	(20,743)
Temporary differences arising from revenue recognition	(95,545)	(94,622)
Gain on change in fair value of investment properties	(25,124)	(22,505)
Unrealised gain on available-for-sales security	(74,253)	(42,825)
Net deferred tax liabilities	(196,846)	(153,361)

As at 31 December 2014, the subsidiaries have unused tax losses totaling Baht 72 million (2013: Baht 70 million). No deferred tax assets have been recognised on these amounts as the Company believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

31. Basic earnings per share

Basic earnings per share is calculated by dividing the 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.

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Profit attributable to equity holders of the Company (Thousand Baht)	18,140	111,789	87,514	84,998
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings per share (Baht/share)	0.11	0.67	0.53	0.51

32. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Contributions are made to the fund by both employees and the Company and its subsidiaries and will be paid to employees upon termination in accordance with the fund rules of the Company and its subsidiaries' provident fund.

During the years, the Company and its subsidiaries contributed to provident funds as follows:

(Unit: Million Baht)

	Fund Manager		Company's contribution in	
	Hotel staff	Office staff	2014	2013
Laguna Resorts & Hotels Public Company Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	2.4	3.6
Laguna Grande Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	1.1	1.1
Bangtao Grande Limited	SCB Asset Management Company Limited	-	3.7	3.3
Laguna Banyan Tree Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	6.6	6.1
Banyan Tree Gallery (Thailand) Limited	-	MFC Asset Management Plc.	0.8	1.0
Banyan Tree Gallery (Singapore) Pte Ltd.	-	Central Provident Fund Board	0.6	1.1
Laguna Service Company Limited	-	MFC Asset Management Plc.	2.1	2.7
Laguna Holiday Club Limited	-	MFC Asset Management Plc.	0.9	1.2
Thai Wah Plaza Limited	TISCO Assets Management Company Limited	MFC Asset Management Plc.	4.0	3.9
Laguna Village Limited	MFC Asset Management Plc.	-	1.0	0.9
Laguna Excursions Limited	-	MFC Asset Management Plc.	0.5	0.6
Phuket Resort Development Limited	-	MFC Asset Management Plc.	0.5	-

33. Dividends

Dividends declared in 2014 and 2013 consisted of:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Dividend on 2013 retained earnings	Annual General Meeting of the shareholders on 22 April 2014	56.67	0.34
Dividend on 2012 retained earnings	Annual General Meeting of the shareholders on 25 April 2013	20.84	0.125

34. Commitments

Capital commitment

As at 31 December 2014, the Company and its subsidiaries have capital commitments as follows:

- (a) A subsidiary has commitments in respect of constructing new and renovating existing hotel properties amounting to Baht 12 million (2013: Baht 2 million).
- (b) The Company and its subsidiaries have commitments that relate to projects to develop properties for sale amounting to approximately Baht 911 million (2013: Baht 81 million).
- (c) A subsidiary entered into an Agreement to Purchase and Sale of Land, having a total land area of 237 rai 1 ngan 39.6 square wah, with a third party. The subsidiary will periodically acquire the land in accordance with terms and conditions as set forth in the aforesaid Agreement. The subsidiary initially acquired the land, having a total area of 53 rai 2 ngan 3.4 square wah. The subsidiary holds the right to acquire the remaining land, having a total area of 183 rai 3 ngan 36.2 square wah, by 1 July 2018. The subsidiary paid the deposit of Baht 65 million and the purchase price of the remaining land shall be increased at rate of 5% on every anniversary date following the date that the Agreement to Purchase and Sale of Land was executed.

Operating agreements

As at 31 December 2014 and 2013, the subsidiaries have operating agreements as follows:

- (a) The subsidiaries have entered into operating agreements with certain companies whereby these companies are to operate the subsidiaries' hotels and golf businesses. In consideration of such services, the subsidiaries are committed to pay remuneration at the rates, terms and basis specified in the agreements. These agreements are summarised as follows:

Company	Business unit	Operator	Contract period	Fees
Bangtao Grande Limited	Angsana Laguna Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 30.11.2031	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 30.11.2031	- Management fee: 10% of gross operating profit

Company	Business unit	Operator	Contract period	Fees
Laguna Banyan Tree Limited	Banyan Tree Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 31.12.2015	- Royalty fee: 2% of total revenue
			(a)	
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 31.12.2015	- Technical fee: 7.5% of gross operating profit
			(a)	
Thai Wah Plaza Limited	Banyan Tree Bangkok	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 31.12.2021	- Royalty fee: 3% of total revenue
			(b)	
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 31.12.2021	- Management fee: 10% of gross operating profit
			(b)	
Laguna Village Limited	Outrigger Laguna Phuket Resort and Villas	Outrigger Hotels (Thailand) Limited	29.5.2009 - 31.12.2019	- Basic management fee: 2% of total revenue for the first fiscal year, 2.5% of total revenue for the second fiscal year and 3% of total revenue for the remain fiscal years
			(c)	- Incentive fee: 7% of gross operating profit

(a) Operator has option to extend for 1 additional period of 10 years

(b) Operator has option to extend for 1 additional period of 20 years.

(c) Operator has option to extend for 2 additional periods of 10 years.

(b) The Company and its subsidiaries have commitments in respect of cash rewards options for villa rental scheme agreements. The terms of the agreements are generally 6 years.

As at 31 December 2014 and 2013, future minimum payments required under these agreements were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Payable within:				
In up to 1 year	97	112	5	22
In over 1 and up to 5 years	166	168	8	12
In over 5 years	8	15	-	2

During the year 2014, the Company and its subsidiaries recognised rental expenses of Baht 116 million (2013: Baht 136 million) (Separate financial statements: Baht 24 million and 2013: Baht 27 million).

Investment commitment

A subsidiary entered into the Limited Partnership Agreement in respect of Banyan Tree Indochina Hospitality Fund, L.P. ("the Fund"), an exempted limited partnership formed under the laws of the Cayman Islands. The fund is managed by Banyan Tree Indochina (GP) Company Limited and focuses mainly on hotel and resort investments in Vietnam, Cambodia and Laos. Based on the fund size of USD 283 million at closing date on 30 June 2009, the capital commitment of USD 16 million would be approximately 5.65% of the fund. As at 31 December 2014 and 2013, the subsidiary has made capital contribution of USD 13 million and USD 13 million, respectively, to the Fund. However, as at 31 December 2014, the subsidiary has no any further investment commitment because the investment period is end.

Servitude over land

As at 31 December 2014, some subsidiaries have land servitudes of approximately 7 rai (2013: 6 rai) in Phuket province, which are presented under property development cost and property, plant and equipment.

35. Guarantees

- a) As at 31 December 2014, there were bank guarantees amounting to Baht 46 million (Separate financial statements: Baht 2 million) issued to various parties on behalf of the Company and its subsidiaries, mainly provided for the usage of electricity, other utilities and telecommunication channels (2013: Baht 47 million, Separate financial statements: Baht 3 million).
- b) As at 31 December 2014 and 2013, the Company has the provision of a guarantee for a loan obtained by Lijiang Banyan Tree Hotel Co., Ltd. (LBTH) by issuing the letter of indemnity to its parent company, Banyan Tree Holdings Limited. The provision of the guarantee is to secure the loan of LBTH in proportion to the equity interest of 49.04 % of the Company in LBTH (through Laguna Banyan Tree Limited).

36. Segment information

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

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have the reportable segments as follows:

- Hotel business segment relates to hotel and restaurant operations including other relating businesses such as golf club and sales of merchandise.
- Property development segment relates to property sales and sale of holiday club memberships.
- Office rental segment relates to rental and service from lands and buildings which managements manage for lease.
- Head office segment relates to expenses incurred by corporate office and is not allocated to other operating segments.

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

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

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

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2014 and 2013, respectively.

Intersegment revenues are eliminated on consolidation.

(Unit: Million Baht)

	For the year ended 31 December 2014				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	3,223	823	113	-	4,159
Intersegment revenues	(183)	(8)	(23)	-	(214)
Revenue from to external customers	<u>3,040</u>	<u>815</u>	<u>90</u>	<u>-</u>	<u>3,945</u>
Results:					
Segment results	<u>109</u>	<u>114</u>	<u>29</u>	<u>(94)</u>	158
Unallocated income					<u>50</u>
Profit from operations and other income					208
Interest income	1	19	-	-	20
Finance cost	(93)	(48)	-	(21)	(162)
Share of loss from investment in associate	(34)	(2)	-	-	(36)
Profit before income tax expenses					30
Income tax expenses	(16)	(8)	(5)	20	(9)
Profit for the year					<u>21</u>
Other segment information					
Depreciation of property, plant and equipment	281	6	1	4	292
Amortisation of leasehold rights	-	3	-	-	3
Reversal of loss on impairment of investment	-	-	-	89	89

(Unit: Million Baht)

For the year ended 31 December 2013

	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	3,650	753	119	-	4,522
Intersegment revenues	(222)	(9)	(30)	-	(261)
Revenue from external customers	<u>3,428</u>	<u>744</u>	<u>89</u>	<u>-</u>	<u>4,261</u>
Results:					
Segment results	<u>199</u>	<u>52</u>	<u>28</u>	<u>33</u>	<u>312</u>
Unallocated income					<u>66</u>
Profit from operations and other income					<u>378</u>
Interest income	2	22	-	1	25
Finance cost	(105)	(53)	-	(22)	(180)
Share of loss from investment in associate	(23)	2	-	-	(21)
Profit before income tax expenses					<u>202</u>
Income tax expenses					<u>(85)</u>
Profit for the year					<u>117</u>
Other segment information					
Depreciation of property, plant and equipment	276	5	-	5	286
Amortisation of leasehold rights	-	3	-	-	3
Reversal of loss on impairment of investment	-	-	-	245	245

Revenue from external customers is based on locations of the customers.

(Unit: Million Baht)

	2014	2013
Revenue from external customers		
Thailand	3,866	4,176
Others	<u>80</u>	<u>85</u>
Total	<u>3,946</u>	<u>4,261</u>
Non-current assets other than financial instruments and deferred tax assets		
Thailand	11,822	11,771
Others	<u>31</u>	<u>37</u>
Total	<u>11,853</u>	<u>11,808</u>

For the years 2014 and 2013, the Company and its subsidiaries have no major customer with revenue of 10% or more of an entity's revenues.

37. Financial instruments

37.1 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 and payables, loans, investments, short-term 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 from the hotel, space rental, and property development businesses. However, due to the large number and diversity of the entities comprising the Company and its subsidiaries' customer base, the Company and its subsidiaries do not anticipate material losses from debt collection.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to their deposits with financial institutions, long-term trade accounts receivable and bank overdrafts and loans. Most of the Company and its subsidiaries' financial assets and liabilities have floating interest rates or fixed interest rates which are close to the market interest rates. The Company and its subsidiaries do not use derivative financial instruments to hedge such risk (the detail of long-term loans are set out in Note 23).

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 2014						
	Fixed interest rates		Floating	Non-Interest		Interest rate
	Within	Over 1 year	Floating	Non-Interest	Total	Interest rate
	1 year	to 5 years	interest rate	bearing		(% per annum)
<u>Financial assets</u>						
Cash equivalents (excluding cash)	-	-	439	-	439	0.375-1.25
Current investments	10	-	-	-	10	1.40
Trade and other receivables	90	-	16	444	550	3-12
Long-term fixed deposit	-	2	-	-	2	3
Long-term trade accounts receivable	-	112	53	-	165	3-9
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	688	688	-
Short-term loans from financial institution	-	-	710	-	710	3.60 - 4.10
Long-term loans from financial institutions	-	-	2,477	-	2,477	3.6 - 5.75

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2014						
	Fixed interest rates					
	Within 1 year	Over 1 year to 5 years	Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
<u>Financial assets</u>						
Cash equivalents (excluding cash)	-	-	17	-	17	0.375
Trade and other receivables	5	-	-	199	204	3
Long-term fixed deposit	-	2	-	-	2	3
Long-term loans to subsidiaries	-	-	2,257	-	2,257	6.35
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	25	25	3.55
Long-term loans from subsidiaries	-	-	766	-	766	2.60-5.99
Short-term loans from financial institution	-	-	360	-	360	3.60 - 4.10
Long-term loans from financial institutions	-	-	105	-	105	5.75

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2013						
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
	Within 1 year	Over 1 year to 5 years				
<u>Financial assets</u>						
Cash equivalents (excluding cash)	10	-	355	-	365	0.50 - 1.60
Current investments	10	-	-	-	10	1.75
Trade and other receivables	78	-	33	468	579	4.78-12
Long-term fixed deposit	-	2	-	-	2	3
Long-term trade accounts receivable	-	82	62	-	144	4.78-12
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	609	609	-
Short-term loans from financial institutions	-	-	170	-	170	3.54-3.55
Long-term loans from financial institutions	-	-	2,970	-	2,970	5.38-5.88

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2013					
	Fixed interest rates				Total	Interest rate (% per annum)
	Within 1 year	Over 1 year to 5 years	Floating interest rate	Non-Interest bearing		
Financial assets						
Cash equivalents (excluding cash)	-	-	17	-	17	0.5 - 1.60
Trade and other receivables	2	-	1	203	206	4.78-12
Long-term fixed deposit	-	2	-	-	2	3
Long-term trade accounts receivable	-	8	6	-	14	4.78-12
Long-term loans to subsidiaries	-	-	1,948	-	1,948	6.88
Financial liabilities						
Trade and other payables	-	-	-	51	51	-
Long-term loans from subsidiaries	-	-	674	-	674	6.26
Short-term loans from financial institutions	-	-	150	-	150	3.55
Long-term loans from financial institutions	-	-	175	-	175	5.88

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. In addition to those transactional exposures, the Company is also exposed to the effect of foreign exchange movements on its investment in foreign subsidiaries and associates, which currently are not hedged by any derivative financial instrument.

The balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at	
	Financial assets		Financial liabilities as at		Financial assets		Financial liabilities as at			
	as at		as at		as at		as at		31 December	
	31 December		31 December		31 December		31 December		31 December	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)
US Dollar	4	4	-	-	-	-	-	-	32.9186	32.7644

37.2 Fair value of financial instruments

Since the majority of the Company's 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 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.

38. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at 31 December 2014, the Group's debt-to-equity ratio was 0.64:1 (2013: 0.58:1) and the Company's was 0.28:1 (2013: 0.24:1).

39. Litigation

A case was brought to the Phuket Provincial Court on 8 October 2009, in which 4 of LRH's affiliated companies and 10 individual directors are the defendants. The plaintiffs referred in the plaint that they purchased units in Allamanda 1 Condominium during 1991 to 1995. The plaintiffs claim the Sale and Purchase Agreement called for common area of approximately 20 rai. On registration of Allamanda 1 Condominium, Allamanda 1 Condominium was registered with only 9 rai 2 ngan 9 square wah. As result, the plaintiffs claim that defendants have breached the Sale and Purchase Agreement. Therefore, the plaintiffs requested the defendants to completely deliver the common area as specified by the Agreement by transfer of the land totaling 10 rai 3 ngan 97.1 square wah to Allamanda 1 Juristic Person, as the 10th plaintiff, or to be jointly liable for the compensation of Baht 132 million in case the transfer of land cannot be made. The plaintiffs also requested for additional compensation in the amount of Baht 56 million for unlawful use of the land which is supposed to be common property of Allamanda 1 Condominium. The total amount of claim is Baht 188 million with interest at the rate of 7.5% per annum from the date the claim was lodged until the defendants have made full payment. The plaintiffs also claimed that the former and current directors, totaling ten, of those subsidiaries as the 5th to 14th defendants were the representatives of the subsidiaries being the 1st to 4th defendants, therefore, must also be jointly liable with those subsidiaries.

The plaintiffs filed a petition with the Court seeking the Court's interim injunction of which the defendants shall not dispose and amend the status of nine plots of land in dispute with land registry office during the trial. On 20 January 2012, the Court granted the interim injunction.

On 27 June 2014, the Phuket Provincial Court has ordered the defendants (1) to transfer the nine plots of land totaling 10 rai 3 ngan 97.1 square wah to the plaintiffs (2) to pay Baht 5,890,956 for unlawful usage of the two plots of land with interest at the rate of 7.5% per annum from the following day after the claim was lodged until payment is made in full (3) to pay Baht 16,000.79 per day from the following day after the claim was lodged until the transfer of aforementioned land has been completed, and (4) to pay a further Baht 500,000 as legal fees to the plaintiffs. On 23 January 2015, the subsidiaries lodged an appeal on the judgement at the Court of First Instance.

As at 31 December 2014, subsidiaries have set aside a provision of Baht 39 million for liabilities arising as a result of this case recording it as an administrative expense in the income statement.

40. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2013 have been reclassified to conform to the current year's classification but with no effect to previously reported profit (loss) or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2013			
	Consolidated financial statements		Separate financial statements	
	As		As	
	As reclassified	previously reported	As reclassified	previously reported
Income statements				
Cost of hotel operations	1,902,117	1,687,285	Nil	Nil
Administrative expenses	1,480,854	1,695,686	Nil	Nil

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2015.