

**Eureka Design Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2019

and

Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Eureka Design Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Eureka Design Public Company Limited and its subsidiaries (the "Group") and of Eureka Design Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

I draw attention to Note 2 in the financial statements, which described that the Group and the Company incurred net loss in the consolidated and separate statements of comprehensive income for the year ended 31 December 2019 of Baht 19.7 million and Baht 56.0 million, respectively. As of that date, the Group's and the Company's deficit balances were Baht 161.3 million and Baht 182.3 million, respectively. These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.



Key Audit Matters

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

Revenue recognition by percentage of completion	
Refer to Note 4 (q) and 23 in consolidated financial statements and separate financial statements	
The key audit matter	How the matter was addressed in the audit
Revenue on contractual agreements is recognised in proportion to the stage of completion of the agreement. The stage of completion is calculated by the Group's engineers by comparing the work completed at the year-end date with the total works to be performed. Contract accounting is considered to be a significant audit risk to the Group as it requires a high degree of estimation and judgment of matters over the percentage of work completed at the date of statement of financial position especially on longer term contracts and also corresponding results on loss making contracts recognition and unbilled contract work in progress. Uncertainty in any of these judgments could result in a material variance in the amount of profit or loss recognised in the current period, in addition to the amount of unbilled contract work in progress at period end. Consequently, I consider that this is a significant matter.	My key audit procedures were as follows: <ul style="list-style-type: none">• assessing of the appropriateness of the method that is used in revenue recognition;• evaluating the appropriateness in the professional competence, and experience of the engineers;• performing test of design and implementation and operating effectiveness of the controls identified by management and external customers approval in each stage of completion to address this risk;• performing test of details by sampling physical inventory observation and referencing to documents of which the determining of the stage of completion by the Group's engineers to verify the percentage of completion for revenue recognition;• assessing the Group's estimation of the stage of completion by comparing costs and expected cost of the contract up to completion with cost estimates;• assessing the appropriate and adequate disclosure in accordance with Thai Financial Reporting Standards.

Acquisitions of subsidiary	
Refer to notes 5 in consolidated financial statements and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>During 2019, the Group obtained control of BS Myco Biotech Co.,Ltd. by acquisition of shares and recognized gains on bargain purchases of Baht 26.87 million in the consolidated statement of comprehensive income for the year ended 31 December 2019.</p> <p>The Group had engaged an independent valuer to measure fair value of assets acquired and liabilities assumed. The differences from purchase consideration transferred are recognised as gain on bargain purchase.</p> <p>Due to the materiality of the transactions and the significant judgment and complexities involved in determining the fair value of assets acquired and liabilities assumed, I considered accounting for business acquisition as a key audit matter.</p>	<p>My key audit procedures were as follows:</p> <ul style="list-style-type: none"> • understood and inquired of management as to the natures and objectives of the business acquisitions and read the sale and purchase agreement and related documents to understand key terms and conditions; • evaluated knowledge, competency and independence of the Group's an independent valuer; • considered the main assumptions to assess the valuation of fair value of assets acquired and liabilities assumed by referral external and internal information and involved KPMG valuation specialist to evaluate the appropriateness of financial parameters applied to the discount rate, identification of the intangible assets and valuation methodology used; • tested calculation; • assessed the appropriate and adequate disclosure in accordance with Thai Financial Reporting Standards.

Debt covenant compliance	
Refer to Note 18 in consolidated financial statements and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group had loans from the financial institution for its operations which were required to comply with certain conditions and restrictions prescribed in the loan agreements such as debts to equity ratio, debt service coverage ratio. The Group could not comply with certain conditions and restrictions prescribed in the loan agreements. The Group negotiated with the financial institutions and receiving the letter to obtain debt covenant waiver from financial institution.</p> <p>To be unable to comply with the certain conditions and restrictions prescribed in the loan agreements with no debt covenant waiver letter obtained from financial institutions affected to the interest rate and the reclassification of loan accounts in financial statements. Consequently, I consider that this is a significant matter.</p>	<p>My key audit procedures were as follows:</p> <ul style="list-style-type: none"> • inspected the details and conditions of loan agreements including debt covenant ratio. • calculated the Group's the covenant ratios in accordance with the loan agreements; • obtained written debt covenant waiver letter from financial institutions in case that the Group could not comply with certain conditions and restrictions prescribed in the loan agreements; • assessed the appropriate and adequate disclosure in accordance with Thai Financial Reporting Standards.





Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Bongkot, Amsageam)
Certified Public Accountant
Registration No. 3684

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2020

Eureka Design Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		(in Baht)			
Current assets					
Cash and cash equivalents	7	15,943,806	26,379,884	1,158,334	706,062
Current investments		-	147,804	-	147,804
Trade accounts receivable	6, 8	29,014,733	105,725,548	29,014,733	70,046,811
Unbilled contract work in progress	8	16,438,312	68,441,244	16,438,312	65,325,817
Other receivables	6, 9	16,030,943	15,697,443	8,792,843	20,208,551
Short-term loans to related parties	6	-	1,200,000	19,000,000	-
Inventories	10	43,284,336	61,864,531	26,083,720	35,338,314
Total current assets		120,712,130	279,456,454	100,487,942	191,773,359
Non-current assets					
Investments in subsidiaries	12	-	-	44,048,925	64,485,590
Investment in joint venture	11	-	1,464,193	-	-
Other long-term investments	14	280,000	280,000	280,000	280,000
Property, plant and equipment	15	179,850,891	138,666,737	114,927,544	124,736,765
Other intangible assets	16	13,596,555	13,297,291	7,603,948	12,776,960
Deferred tax assets	28	2,659,176	18,701,586	-	18,152,994
Restricted deposits at financial institutions	17	4,930,877	2,409,706	3,180,877	2,409,706
Other non-current assets		15,706,342	21,687,532	15,706,342	10,668,566
Total non-current assets		217,023,841	196,507,045	185,747,636	233,510,581
Total assets		337,735,971	475,963,499	286,235,578	425,283,940

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

Eureka Design Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity		2019	2018	2019	2018
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	69,449,716	59,085,121	61,808,143	58,601,101
Trade accounts payable	6	11,222,684	41,852,248	9,317,567	79,358,954
Other payables	6, 19	5,111,868	17,897,994	2,716,819	6,507,955
Excess of progress billings over contract work in progress		1,958,474	36,696,298	977,165	5,622,786
Current portion of long-term loans					
from financial institutions	18	3,552,221	3,331,717	3,552,221	3,331,717
Short-term loans from related parties	6, 18	2,500,000	67,000,000	-	4,794,400
Current portion of finance lease liabilities	18	-	96,932	-	96,932
Income tax payable		2,329,721	-	-	-
Guarantee provisions		-	4,212,521	-	755,079
Total current liabilities		96,124,684	230,172,831	78,371,915	159,068,924
Non-current liabilities					
Long-term loans from financial institutions	18	7,437,149	10,993,276	7,437,149	10,993,276
Deferred tax liabilities	28	4,272,369	-	1,144,247	-
Non-current provisions for employee benefit	20	1,680,344	7,055,513	1,485,891	3,954,817
Other non-current liabilities		-	666,667	-	666,667
Total non-current liabilities		13,389,862	18,715,456	10,067,287	15,614,760
Total liabilities		109,514,546	248,888,287	88,439,202	174,683,684
Equity					
Share capital					
Authorised share capital					
(654,500,000 ordinary shares, par value at Baht 0.25 per share)		163,625,000	163,625,000	163,625,000	163,625,000
Issued and paid-up share capital					
(635,539,843 ordinary shares, par value at Baht 0.25 per share)		158,884,961	158,884,961	158,884,961	158,884,961
Share premium	21				
Share premium on ordinary shares		209,891,407	209,891,407	209,891,407	209,891,407
Legal reserve	22	4,660,000	4,660,000	4,660,000	4,660,000
Deficit		(161,264,683)	(146,988,382)	(182,286,387)	(129,482,507)
Other components of equity	22	5,259,185	(219,385)	6,646,395	6,646,395
Equity attributable to owners of the parent		217,430,870	226,228,601	197,796,376	250,600,256
Non-controlling interests	13	10,790,555	846,611	-	-
Total equity		228,221,425	227,075,212	197,796,376	250,600,256
Total liabilities and equity		337,735,971	475,963,499	286,235,578	425,283,940

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

Eureka Design Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
(in Baht)					
Revenues					
Revenue from sale of goods and services	6, 23, 29	233,804,239	372,385,421	81,831,628	314,562,514
Investment income	6, 23	175,760	457,189	663,965	1,729,687
Gain on bargain purchase	5	26,873,850	-	-	-
Gain on disposal of investment	12	9,458,547	-	-	-
Other income	6, 23	5,693,220	6,693,156	15,493,625	26,745,983
Total revenues		276,005,616	379,535,766	97,989,218	343,038,184
Expenses					
Cost of sales and services	6, 10, 23	162,052,944	254,360,169	67,898,144	247,069,666
Distribution costs	6, 23, 24	18,925,979	9,464,824	2,799,744	6,893,521
Administrative expenses	6, 23, 25	89,331,529	106,880,466	59,617,858	74,436,197
Net foreign exchange loss		422,567	4,463,047	422,567	4,259,393
Finance costs	6, 23	7,615,077	6,565,820	4,802,251	4,789,490
Total expenses		278,348,096	381,734,326	135,540,564	337,448,267
Share of loss of joint venture	11, 23	(53,049)	(268,566)	-	-
Profit (loss) before income tax expense		(2,395,529)	(2,467,126)	(37,551,346)	5,589,917
Tax income (expense)	28	(17,284,523)	20,829,749	(18,488,300)	20,658,323
Profit (loss) for the year		(19,680,052)	18,362,623	(56,039,646)	26,248,240
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		-	(4,148,456)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Gains on remeasurements of defined benefit plans	20	3,652,644	3,253,974	4,044,708	3,004,380
Income tax relating to items that will not be reclassified to profit or loss		(730,529)	(650,795)	(808,942)	(600,876)
Total items that will not be reclassified to profit or loss		2,922,115	2,603,179	3,235,766	2,403,504
Other comprehensive income (expense) for the year, net of tax		2,922,115	(1,545,277)	3,235,766	2,403,504
Total comprehensive income (expense) for the year		(16,757,937)	16,817,346	(52,803,880)	28,651,744
Profit (loss) attributable to:					
Owners of the parent		(17,198,416)	18,460,987	(56,039,646)	26,248,240
Non-controlling interests	13	(2,481,636)	(98,364)	-	-
Profit (loss) for the year		(19,680,052)	18,362,623	(56,039,646)	26,248,240
Total comprehensive income (expense) attributable to:					
Owners of the parent		(14,276,301)	16,915,710	(52,803,880)	28,651,744
Non-controlling interests	13	(2,481,636)	(98,364)	-	-
Total comprehensive income (expense) for the year		(16,757,937)	16,817,346	(52,803,880)	28,651,744
Earnings (loss) per share					
Basic earnings (loss) per share		(0.03)	0.03	(0.09)	0.04

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

Eureka Design Public Company Limited and its Subsidiaries

Statement of changes in equity

		Consolidated financial statements									
		Other components of equity									
		Differences			Total	Equity	Non-				
		Translating	arising from	other	attributable to	controlling		Total			
		foreign	common control	components	owners of	interests		equity			
		operations	transactions	of equity	the parent						
			Revaluation	surplus							
			surplus								
			(in Bn/)								
Year ended 31 December 2018	Issued and paid-up share capital	Share premium	Legal reserve	Deficit	Translating foreign operations	Differences arising from common control transactions	Revaluation surplus	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2018	158,884,961	209,891,407	4,660,000	(168,052,548)	(1,330,114)	(1,387,210)	6,646,395	3,929,071	209,312,891	1,592,540	210,905,431
Transactions with owners, recorded directly in equity											
<i>Changes in ownership interests in subsidiaries</i>											
	-	-	-	-	-	-	-	-	-	(23)	(23)
	-	-	-	-	-	-	-	-	-	(647,542)	(647,542)
<i>Total changes in ownership interests in subsidiaries</i>	-	-	-	-	-	-	-	-	-	(647,565)	(647,565)
Total transactions with owners, recorded directly in equity											
	-	-	-	-	-	-	-	-	-	(647,565)	(647,565)
Comprehensive income for the year											
	-	-	-	18,460,987	-	-	-	-	18,460,987	(98,364)	18,362,623
	-	-	-	2,603,179	(4,148,456)	-	-	(4,148,456)	(1,545,277)	-	(1,545,277)
<i>Total comprehensive income for the year</i>	-	-	-	21,064,166	(4,148,456)	-	-	(4,148,456)	16,915,710	(98,364)	16,817,346
Balance at 31 December 2018	158,884,961	209,891,407	4,660,000	(146,988,382)	(5,478,570)	(1,387,210)	6,646,395	(219,385)	226,228,601	846,611	227,075,212

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

Eureka Design Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements

	Other components of equity							Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit	Translating foreign operations	Differences arising from common control transactions (in Baht)	Revaluation surplus				
Year ended 31 December 2019											
Balance at 1 January 2019	158,884,961	209,891,407	4,660,000	(146,988,382)	(5,478,570)	(1,387,210)	6,646,395	(219,385)	226,228,601	846,611	227,075,212
Transactions with owners, recorded directly in equity											
<i>Contributions by owners</i>											
The redemption of capital to non-controlling interests	-	-	-	-	-	-	-	-	-	(890,149)	(890,149)
Acquisition of non-controlling interest with a change in control	-	-	-	-	-	-	-	-	-	13,315,729	13,315,729
<i>Total contributions by owners</i>	-	-	-	-	-	-	-	-	-	12,425,580	12,425,580
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	12,425,580	12,425,580
Comprehensive income for the year											
Profit or loss	-	-	-	(17,198,416)	6,438,705	-	-	6,438,705	(10,759,711)	(2,481,636)	(13,241,347)
Other comprehensive income	-	-	-	2,922,115	(960,135)	-	-	(960,135)	1,961,980	-	1,961,980
<i>Total comprehensive income for the year</i>	-	-	-	(14,276,301)	5,478,570	-	-	5,478,570	(8,797,731)	(2,481,636)	(11,279,367)
Balance at 31 December 2019	158,884,961	209,891,407	4,660,400	(161,264,683)	-	(1,387,210)	6,646,395	5,259,185	217,430,870	10,790,555	228,221,425

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

Eureka Design Public Company Limited and its Subsidiaries

Statement of changes in equity

Year ended 31 December 2018	Separate financial statements						Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit <i>(in Baht)</i>	Revaluation surplus	Total other component of equity	
Balance at 1 January 2018	158,884,961	209,891,407	4,660,000	(158,134,251)	6,646,395	6,646,395	221,948,512
Comprehensive income for the year							
Profit	-	-	-	26,248,240	-	-	26,248,240
Other comprehensive income	-	-	-	2,403,504	-	-	2,403,504
Total comprehensive income for the year	-	-	-	28,651,744	-	-	28,651,744
Balance at 31 December 2018	158,884,961	209,891,407	4,660,000	(129,482,507)	6,646,395	6,646,395	250,600,256

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

Eureka Design Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Deficit <i>(in Baht)</i>	Revaluation surplus	
Year ended 31 December 2019	158,884,961	209,891,407	4,660,000	(129,482,507)	6,646,395	250,600,256
Balance at 1 January 2019	-	-	-	(56,039,646)	-	(56,039,646)
Comprehensive income for the year	-	-	-	3,235,766	-	3,235,766
Loss	-	-	-	(52,803,880)	-	(52,803,880)
Balance at 31 December 2019	158,884,961	209,891,407	4,660,000	(182,286,387)	6,646,395	197,796,376

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

Eureka Design Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
<i>(in Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit (loss) for the year		(19,680,052)	18,362,623	(56,039,646)	26,248,240
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Tax expense (income)		17,284,523	(20,829,749)	18,488,300	(20,658,323)
Finance costs		7,615,077	6,565,820	4,802,251	4,789,490
Depreciation	15	12,220,091	15,912,839	10,402,186	13,303,464
Amortisation of other intangible assets	16	5,460,689	7,133,149	4,816,760	6,966,112
Employee benefits	20	7,630,192	993,595	2,686,228	540,669
Guarantee provisions (reversal of)		(135,838)	3,477,260	(135,838)	(2,369,540)
Impairment losses on investments in subsidiary (reversal of)	12	-	-	7,091,213	(3,281,057)
Unrealised loss on exchange		448,466	276,980	448,466	114,246
Unrealised currency translation differences		(960,135)	(4,172,857)	-	-
Share of loss of investment of joint venture, net of tax	11	53,049	268,566	-	-
Bad and doubtful debts expenses (reversal of)	8	(497,536)	(488,555)	105,579	247,608
Losses on decline in value of inventories (reversal of)	10	(297,005)	956,705	466,493	1,037,278
Gain on disposal of investment		(9,458,547)	-	-	-
Gain on bargain purchase	5	(26,873,849)	-	-	-
(Gain) Loss on disposal of and written-off of equipment		307,605	839,237	127,211	(76,706)
Loss on disposal of and written-off of intangible asset		61,870	2	61,007	2
Dividend income		-	-	-	(1,063,988)
Interest income		(175,760)	(457,189)	(663,965)	(665,699)
		(6,997,160)	28,838,426	(7,343,755)	25,131,796
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		39,204,050	(47,838,754)	40,478,033	(19,980,292)
Unbilled contract work in progress		12,053,422	(21,044,064)	48,887,505	(21,076,583)
Other receivables		(66,647)	4,470,251	11,415,708	17,618,788
Inventories		(6,915,660)	(286,056)	8,788,101	2,061,672
Other non-current assets		(6,474,869)	(9,568,608)	(5,037,776)	(4,907,002)
Trade accounts payable		(17,371,129)	9,824,959	(70,041,387)	(3,761,138)
Other payables		64,513,956	(1,657,537)	(3,851,584)	(4,725,477)
Excess of progress billings over contract work in progress		(14,911,073)	3,534,717	(4,645,621)	(27,436,980)
Employee benefits paid	20	-	-	(1,110,446)	(665,454)
Guarantee provisions paid		(1,596,514)	(5,801,574)	(619,241)	(696,218)
Other non-current liabilities		(666,667)	(666,666)	(666,667)	(666,666)
Net cash used in operating activities		60,771,709	(40,194,906)	16,252,870	(39,103,554)
Taxes paid		-	(722,386)	-	-
Net cash from (used in) operating activities		60,771,709	(40,917,292)	16,252,870	(39,103,554)

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

Eureka Design Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
<i>(in Baht)</i>					
<i>Cash flows from investing activities</i>					
Acquisition of subsidiary, net cash acquired	5	(28,196,751)	-	-	-
Acquisition of investment in subsidiary		-	-	(44,048,925)	-
Net cash from disposal of subsidiaries		30,834,868	-	-	-
Disposal investment in subsidiaries	12	-	-	55,000,000	-
Restricted deposits at financial institutions		(2,521,171)	(812,441)	(771,171)	(812,441)
Proceeds from sale of plant and equipment		219,221	1,077,178	41,293	1,054,338
Acquisition of plant and equipment		(10,085,855)	(8,720,927)	(725,269)	(2,200,508)
Proceeds from sale of other intangible assets		723,044	-	723,044	586,824
Acquisition of other intangible assets		(578,102)	(902,384)	(405,600)	(877,000)
Loans to related parties	6	-	(312,710)	(27,000,000)	-
Proceeds from repayments of loans to related parties	6	1,200,000	6,312,710	8,000,000	38,800,000
Dividends received		-	-	-	1,063,988
Interest received		175,760	461,072	663,965	669,582
Decrease in current investments		147,804	7,241	147,804	7,241
Proceeds from redemption of capital from subsidiaries		-	-	2,394,377	3,281,057
Net cash from (used in) investing activities		(8,081,182)	(2,890,261)	(5,980,482)	41,573,081
<i>Cash flows from financing activities</i>					
Proceeds from (repayment of) bank overdrafts and short-term loans from financial institutions		10,364,595	9,388,526	3,207,042	8,904,506
Proceeds from (repayment of) short-term loans from related parties		(64,500,000)	61,000,000	(4,794,400)	(3,531,856)
Repayment of long-term loans from financial institutions		(3,335,623)	(3,418,875)	(3,335,623)	(3,418,875)
Repayment of finance lease liabilities		(96,932)	(945,045)	(96,932)	(407,452)
Cash received from non-controlling interests		2,950,200	-	-	-
The redemption of capital to non-controlling interests		(890,149)	(23)	-	-
Dividends paid to non-controlling interests	13	-	(647,542)	-	-
Interest paid		(7,618,696)	(6,572,684)	(4,800,203)	(4,796,354)
Net cash from (used in) financing activities		(63,126,605)	58,804,357	(9,820,116)	(3,250,031)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(10,436,078)	14,996,804	452,272	(780,504)
Effect of exchange rate changes on cash and cash equivalents		-	717	-	717
Net increase (decrease) in cash and cash equivalents		(10,436,078)	14,997,521	452,272	(779,787)
Cash and cash equivalents at 1 January	7	26,379,884	11,382,363	706,062	1,485,849
Cash and cash equivalents at 31 December	7	15,943,806	26,379,884	1,158,334	706,062

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

Eureka Design Public Company Limited and its Subsidiaries

Statement of cash flows

Non-cash transactions

During the year 2019, the Group acquired building improvement and equipment at total cost of Baht 10.35 million (2018: Baht 8.7 million) of which Baht 10.09 million (2018: Baht 8.7 million) was made by cash payment and Baht 0.26 million was outstanding as payable for purchases of assets as at 31 December 2019 (2018: Baht -nil- million).

During the year 2019, the Company acquired building improvement and equipment at total cost of Baht 0.76 million (2018: Baht 2.2 million) of which Baht 0.73 million (2018: Baht 2.2 million) was made by cash payment and Baht 0.03 million was outstanding as payable for purchases of assets as at 31 December 2019 (2018: Baht -nil- million).

During the year 2019, the Group acquired other intangible assets at total cost of Baht 0.60 million (2018: Baht -nil- million) of which Baht 0.58 million (2018: Baht -nil- million) was made by cash payment and Baht 0.02 million was outstanding as payable for purchases of assets as at 31 December 2019 (2018: Baht -nil- million).

During the year 2019, the Company acquired other intangible assets at total cost of Baht 0.43 million (2018: Baht -nil- million) of which Baht 0.41 million (2018: Baht -nil- million) was made by cash payment and Baht 0.02 million was outstanding as payable for purchases of assets as at 31 December 2019 (2018: Baht -nil- million).

Eureka Design Public Company Limited and its Subsidiaries
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Eureka Design Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2020.

1 General information

Eureka Design Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in February 2013. The Company’s registered office at 19 Moo 11, Tambon Ladsawai, Amphoe Lamlukka, Pathumthani.

The Company’s major shareholder during the financial year were Mr. Narakorn Ratchapolsitte (11% shareholding) and Miss Churairat Phongsorn (10% shareholding).

The principal activities of the Group are engaged in the design and manufacture of machinery, logistic automation and sale of closed circuit television. Details of the Company’s subsidiaries as at 31 December 2019 and 2018 are given in note 12.

2 Current operations

The Group and the Company incurred net loss in the consolidated and separate statements of comprehensive for the year ended 31 December 2019 of Baht 19.7 million and Baht 56.0 million, respectively. As of that date, the Group’s and the Company’s deficit balances were Baht 161.3 million and Baht 182.3 million, respectively (*2018: Baht 147.0 million and Baht 129.5 million, respectively*). These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the Group’s and the Company’s ability to continue as a going concern.

The Group and the Company are in process of setting operation policies and procedures for management of its liquidity risk and increasing revenue and operation result. Moreover, the Group sold investments in subsidiaries of which the principal activities were engaged in the design and produce automatic machine that had loss operation (Note 12). Group management believed that the Group and the Company will be able to obtain their funding source for the foreseeable future and to increase revenue by extending sales channel including expanding business by acquisition of investment in subsidiary for manufacturing of pesticides and agrochemical products and establishment of a company for manufacturing and selling water and raw water (Note 12) and reducing costs and selling and administrative expenses. The consolidated and separate financial statements have been prepared by Group and Company management on the going concern basis. Accordingly, the consolidated and separate financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classifications of liabilities that may be necessary if the Group and the Company is unable to continue as a going concern.

3 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

Eureka Design Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. There is no material impact on the Group's financial statements. The Group has initially applied TFRS 15 Revenue from Contracts with Customers which replaces TAS 18 Revenue and related interpretations. The details of accounting policies are disclosed in note 4(q).

The Group has assessed the impact of initial adoption of TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 January 2019. The impact on retained earnings as at 1 January 2019 was not material. Therefore, the Group has not adjusted the retained earnings as at 1 January 2019 and not restated the information presented for 2018, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 33.

(b) *Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information in the notes to the financial statements are presented in Thousand Thai Baht unless otherwise stated.

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial is included in the following notes:

Note 5	Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis; and
Note 20	Measurement of defined benefit obligations: key actuarial assumptions.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint venture.

Eureka Design Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Eureka Design Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Interests in equity - accounted investees

The Group's interests in equity-accounted investees comprise interests in a joint venture.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences arising from the translation are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Eureka Design Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) *Derivative*

Derivative are used to manage exposure to foreign exchange arising from operational activities. Derivative are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

(d) *Hedging*

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates.

(e) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

Deposits at financial institutions that have a restriction of use are presented separately from "Other current assets and other non-current assets" in the statement of financial position.

(f) *Trade and other accounts receivable*

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) *Inventories*

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

Cost is calculated using the first in first out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Eureka Design Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

(h) *Investments*

Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in joint ventures in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

Plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land which are measured at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings.

Eureka Design Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Machinery and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation surplus in other component of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and improvements	5 to 20 years
Machinery and factory equipment	5 to 10 years
Office equipment	5 years
Vehicles	5 to 10 years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Eureka Design Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Computer software	5 years
Patents	3 and 5 years

No amortisation is provided on Computer software under installation.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

Eureka Design Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

(l) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(n) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Eureka Design Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Guarantee

A provision for guarantee is recognised when the underlying products or services are sold. The provision is based on historical guarantee data and a weighting of all possible outcomes against their associated probabilities.

(p) Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(q) Revenue

Accounting policies for revenue recognition in 2019

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

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Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion measured by the Company's engineers. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Accounting policies for revenue recognition in 2018

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Rendering of services

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. In determining the stage of completion, the percentage of completion is measured by the Company's engineers.

(r) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(s) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

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Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(u) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) *Earnings (loss) per share*

The Group presents basic earnings (loss) per share data for its ordinary shares. Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(w) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(x) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Acquisitions of subsidiary

On 11 June 2019, the Board of Directors' meeting approved an acquisition of 85.65% of shares in BS Myco Biotech Co., Ltd. On 12 June 2019, the Company entered into a share purchase agreement which specified share price totaling Baht 35.0 million. The Company paid deposit of Baht 15.0 million in May 2019. The Company has complied with the terms in the agreement upto 26 June 2019, which was the date of the business acquisition and obtained control in BS Myco Biotech Co., Ltd. Management believes that acquisition of BS Myco Biotech Co., Ltd. will get the opportunity to increase revenue income as a new channel to other line business.

In addition, the Company entered into a loan agreement with BS Myco Biotech Co., Ltd. of Baht 15.0 million in order that such Company would pay off debt to BS Myco Biotech Co., Ltd.'s former related party. These loan is due within June 2020.

During the period from the acquisition date to 31 December 2019, BS Myco Biotech Co., Ltd. contributed loss of Baht 16.8 million to the Group's result. If the acquisition had occurred on 1 January 2019, management estimates that consolidated net loss for the year ended 31 December 2019 would not be significantly different from the current presentation.

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The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed:

Identifiable assets acquired and liabilities assumed

	Fair value <i>(in thousand Baht)</i>
Cash and cash equivalents	6,802
Other receivables	6,283
Inventory	9,553
Property, plant and equipment	60,119
Intangible assets	6,000
Deferred tax assets	1,191
Trade and other payables	(17,404)
Non-current provisions for employee benefit	(305)
Total identifiable net assets	72,239
Less: Non-controlling interests (14.35 %)	(10,366)
Total identifiable net assets received	61,873
Gain on bargain purchase	(26,874)
Purchase consideration transferred	34,999
Net cash acquired with the subsidiary	6,802
Cash paid	34,999
Net cash outflows	28,197

According to the above acquisition, the Company has engaged an independent appraiser to determine the fair values of assets acquired and liabilities assumed.

6 Related parties

Relationships with joint venture and subsidiaries are described in notes 11 and 12. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group
Mr. Narakorn Ratchapolsitte	Thai	Major shareholders, 11% or more shareholding, and directors
Manee Udomsuk Company Limited	Thai	Common major shareholders

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The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales of goods and rendering of services *	Cost plus margin
Service income *	Contractually agreed prices
Purchase of goods and receiving of services *	Prices are determined based on the terms and conditions in normal business comparable to those of non-related parties
Purchase of equipment *	Agreed prices
Sale of equipment *	Agreed prices
Service fees *	Contractually agreed prices
Interest income *	Short-term loan rate of a local financial institution
Interest expense *	Short-term loan rate of a local financial institution
Dividend income	As declared for dividend
Key management personnel compensation	As defined by the Nomination and Remuneration Committee and the Company's policy

* These included transactions of Eureka Automation Co.,Ltd. and Eureka International PTE., LTD. upto 24 July 2019 which was the date of loss control in subsidiaries.

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods and rendering of services	-	-	131	789
Service income	-	-	9,894	19,244
Purchase of goods and receiving of services	-	-	42,296	228,916
Purchase of equipment	-	-	-	607
Sale of equipment	-	-	-	1,118
Service fees	-	-	490	3,474
Interest income	-	-	635	658
Interest expense	-	-	172	610
Dividend income	-	-	-	1,064
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	17,949	21,013	11,567	16,247
Post-employment benefits	352	329	186	269
Total key management personnel compensation	18,301	21,342	11,753	16,516
Other related parties				
Purchase of equipment	911	-	-	-
Interest income	52	353	-	-
Interest expense	3,169	2,309	715	-

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Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable - related parties</i>		Consolidated financial statements		Separate financial statements		
		2019	2018	2019	2018	
<i>(in thousand Baht)</i>						
Subsidiaries		-	-	-	45	
<i>Other receivables - related parties</i>		Consolidated financial statements		Separate financial statements		
		2019	2018	2019	2018	
<i>(in thousand Baht)</i>						
Subsidiaries		-	-	485	1,165	
<i>Loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
<i>(% per annum)</i>						
<i>(in thousand Baht)</i>						
<i>Short-term loans</i>						
Subsidiary	7.4	7.4	-	-	19,000	-
Joint venture	-	7.4	-	1,200	-	-
Short-term loans to related parties, net			-	1,200	19,000	-

Movements during the years ended 31 December of loans to related parties were as follows:

<i>Loans to related parties</i>		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<i>Short-term loans</i>					
Subsidiary					
At 1 January		-	-	-	38,800
Increase		-	-	27,000	-
Decrease		-	-	(8,000)	(38,800)
At 31 December		-	-	19,000	-
Joint venture					
At 1 January		1,200	7,200	-	-
Increase		-	313	-	-
Decrease		(1,200)	(6,313)	-	-
At 31 December		-	1,200	-	-
Total short-term loans to related parties					
At 1 January		1,200	7,200	-	38,800
Increase		-	313	27,000	-
Decrease		(1,200)	(6,313)	(8,000)	(38,800)
At 31 December		-	1,200	19,000	-

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<i>Trade accounts payable - related party</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	-	63,200
Other related party	414	-	-	-
Total	414	-	-	63,200

<i>Other payables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	-	79

<i>Loans from related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiaries	-	7.4	-	-	-	4,794
Key management personnel	7.4	7.4	2,500	67,000	-	-
Total short-term loans from related parties			2,500	67,000	-	4,794

Movements during the years ended 31 December of loans from related parties were as follows:

<i>Loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Short-term loans				
Subsidiaries				
At 1 January	-	-	4,794	8,486
Increase	-	-	55,000	2,656
Decrease	-	-	(59,794)	(6,188)
The effect of foreign exchange rate	-	-	-	(160)
At 31 December	-	-	-	4,794
Key management personnel				
At 1 January	67,000	6,000	-	-
Increase	3,500	75,300	-	-
Decrease	(68,000)	(14,300)	-	-
At 31 December	2,500	67,000	-	-
Total short-term loans from related parties				
At 1 January	67,000	6,000	4,794	8,486
Increase	3,500	75,300	55,000	2,656
Decrease	(68,000)	(14,300)	(59,794)	(6,188)
The effect of foreign exchange rate	-	-	-	(160)
At 31 December	2,500	67,000	-	4,794

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Significant agreements with related parties

On 1 January 2019, the Company entered into the human resource service agreement and procurement service, accounting and operating assistance agreements with a subsidiary for a period of one year. On 25 July 2019, the Company sold investment in subsidiary that affected the contracts were cancelled.

On 1 July 2019, the Company entered into accounting and operating assistance agreements with subsidiaries for a period of one year, whereby the Company agreed to provide operating assistance services to the subsidiaries. In this regard, the subsidiaries agreed to pay service fees as specified in the agreement.

The Company entered into loan agreements for loans granted to a subsidiary. These loans are due within June 2020.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	55	240	14	115
Cash at banks - current accounts	1,011	11,149	374	381
Cash at banks - savings accounts	14,878	14,991	770	210
Total	15,944	26,380	1,158	706

8 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	6	-	-	-	45
Other parties		29,374	106,582	29,374	70,255
Total		29,374	106,582	29,374	70,300
<i>Less allowance for doubtful accounts</i>		<i>(359)</i>	<i>(856)</i>	<i>(359)</i>	<i>(253)</i>
Total		29,015	105,726	29,015	70,047
(Reversal of) bad and doubtful debts expenses for the year		(497)	(489)	106	248

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Unbilled contract work in progress</i>				
Cost and attributable profit	41,867	120,970	41,867	115,158
<i>Less progress billings</i>	<i>(25,429)</i>	<i>(52,529)</i>	<i>(25,429)</i>	<i>(49,832)</i>
Net	16,438	68,441	16,438	65,326

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	-	-	-	45
Overdue:				
Less than 90 days	-	-	-	-
90 - 180 days	-	-	-	-
180 - 360 days	-	-	-	-
Over 360 days	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>45</u>
<i>Less</i> allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>45</u>
Other parties				
Within credit terms	10,381	62,501	10,381	48,744
Overdue:				
Less than 90 days	7,072	24,677	7,072	17,999
90 - 180 days	4,176	17,332	4,176	2,187
180 - 360 days	7,237	1,011	7,237	867
Over 360 days	508	1,061	508	458
	<u>29,374</u>	<u>106,582</u>	<u>29,374</u>	<u>70,255</u>
<i>Less</i> allowance for doubtful accounts	<u>(359)</u>	<u>(856)</u>	<u>(359)</u>	<u>(253)</u>
Net	<u>29,015</u>	<u>105,726</u>	<u>29,015</u>	<u>70,002</u>
Total	<u>29,015</u>	<u>105,726</u>	<u>29,015</u>	<u>70,047</u>

The normal credit term granted by the Group ranges from 30 days to 60 days.

9 Other receivables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related party	6	<u>-</u>	<u>-</u>	<u>485</u>	<u>1,165</u>
Other parties					
Value added tax for credit next month		9,873	6,816	7,632	5,510
Prepaid expenses		5,448	538	343	442
Undue input value added taxes		224	4,528	99	4,341
Deposit		146	252	20	8
Advance payment for goods		60	2,555	-	8,236
Others		280	1,008	214	507
		<u>16,031</u>	<u>15,697</u>	<u>8,308</u>	<u>19,044</u>
Total		<u>16,031</u>	<u>15,697</u>	<u>8,793</u>	<u>20,209</u>

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10 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	1,643	-	1,643	-
Work in progress	38,151	49,956	20,951	31,126
Raw materials	4,068	13,662	4,068	5,250
Goods in transit	925	47	925	-
Total	44,787	63,665	27,587	36,376
Less allowance for decline in value	(1,503)	(1,800)	(1,503)	(1,038)
Net	43,284	61,865	26,084	35,338
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	162,350	253,403	67,432	246,032
- Write-down to net realisable value (Reversal)	(297)	957	466	1,038
Net total	162,053	254,360	67,898	247,070

11 Investment in joint venture

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	1,464	1,733	-	-
Share of net loss of joint venture	(53)	(269)	-	-
Disposal	(1,411)	-	-	-
At 31 December	-	1,464	-	-

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Investment in joint venture as at 31 December 2019 and 2018 were as follows:

		Consolidated financial statements								
EUREKA UMI	Type of business	Country of Incorporation	Ownership interest		Capital		Cost		Equity	
			2019 (%)	2018 (%)	2019	2018	2019	2018	2019	2018
	Investigation, design, installation, maintenance and proceeding air conditioning replacement for energy conservation	Thailand	-	70	-	1,000	-	700	-	1,464
								(in thousand Baht)		

None of the Group's joint venture is publicly listed and consequently does not have published price quotations.

EUREKA UMI is structured as a separated tax authority and the Group has a right to residual net assets of EUREKA UMI. Accordingly, the Group has classified its interest in EUREKA UMI as a joint venture under the EUREKA UMI Establishment Contract.

On 24 July 2019, the Group sold 70% of its interest in EUREKA UMI, a joint venture. As the result, EUREKA UMI was no longer a joint venture.

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12 Investments in subsidiaries

	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	64,486	64,486
Increase	44,049	-
Decrease	(97,207)	-
Redemption of capital	(2,391)	(4,042)
Allowance for impairment	35,112	4,042
At 31 December	44,049	64,486

Acquisition of investments

On 26 June 2019, the Company invested in 85.65% of the issued and paid-up capital of BS Myco Biotech Co., Ltd. for manufacture of pesticides and agrochemical products amounting of Baht 35.0 million. The Company obtained control of BS Myco Biotech Co., Ltd., consequently, BS Myco Biotech Co., Ltd. became a subsidiary company of the Group.

On 24 June 2019, the Board of Directors' meeting approved to establish the Eureka UU Co., Ltd, (share capital of 70,000 ordinary shares with 100 par value) for manufacture and sales of water and raw water. The Company invested in 90% of shares and paid-up capital, amounting to Baht 6.3 million. Eureka UU Co., Ltd. has registered the establishment with Department of Business Development, Ministry of Commerce on 1 July 2019.

On 8 October 2019, the Board of Directors' meeting approved to establish the Eureka Energy Co., Ltd, (share capital of 50,000 ordinary shares with 100 par value) for manufacture of energy. The Company invested in 55% of shares and paid-up capital, amounting to Baht 2.7 million. Eureka Energy Co., Ltd, has registered the establishment with Department of Business Development, Ministry of Commerce on 10 October 2019.

Disposal of investments

On 22 July 2019, the Board of Directors' meeting approved to sell ordinary shares of Eureka Automation Co.,Ltd. and Eureka Design International PTE. LTD, subsidiaries of the Company. On 24 July 2019, the Group sold 100% of its interest in Eureka Automation Co.,Ltd., a subsidiary, of Baht 29.5 million. As the result, Eureka Automation Co.,Ltd was no longer a subsidiary. The carrying amount of Eureka Automation Co.,Ltd.'s net asset in the Group's financial statements on the disposal date was Baht 15.4 million and gain on disposal of investment was Baht 14.1 million, which was included in statement of comprehensive income for the year ended 31 December 2019.

Moreover, the Group sold 100% of its interest in Eureka Design International PTE. LTD., a subsidiary, of Baht 25.5 million. As the result, Eureka Design International PTE. LTD. was no longer a subsidiary. In addition, Eureka Design Indonesia Company Limited and Eureka Design India Private Limited, which were indirect subsidiaries held through Eureka Design International PTE. LTD. were no longer indirect subsidiaries of the Group accordingly. The carrying amount of Eureka Design International PTE. LTD.'s net asset in the Group's financial statements on the disposal date was Baht 23.7 million and gain on disposal of investment was Baht 1.8 million. The Group had loss from translating foreign operations was Baht 6.4 million. As the result, the Group had loss from disposal investment was Baht 4.6 million which was included in statement of comprehensive income for the year ended 31 December 2019.

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Redemption of capital

Fujii Iron Works (Thailand) Co., Ltd. which was a direct subsidiary of the Company had registered its dissolution with Department of Business Development, Ministry of Commerce on 8 September 2017 and redemption of capital to the Company on 3 October 2019 at Baht 1.8 per share, totalling Baht 0.9 million.

Eureka Trading Co., Ltd. which was a direct subsidiary of the Company had registered its dissolution with Department of Business Development, Ministry of Commerce on 8 September 2017 and redemption of capital to the Company on 20 September 2019 at Baht 0.8 per share, totalling Baht 1.5 million.

Eureka Agro Machinery Co., Ltd. which was a direct subsidiary of the Company had registered its dissolution with Department of Business Development, Ministry of Commerce on 8 September 2017 and redemption of capital to the Company on 21 September 2018 at Baht 4.1 per share, totalling Baht 3.3 million. On 4 October 2018, Eureka Agro Machinery Co., Ltd. completed the liquidation with Department of Business Development, Ministry of Commerce.

Siam Partfeeder (2008) Co., Ltd. which was an indirect subsidiary of the Company had registered its dissolution with Department of Business Development, Ministry of Commerce on 8 September 2017 and redemption of capital to the Company on 21 September 2018 at Baht 3.8 per share, totalling Baht 0.8 million. On 4 October 2018, Siam Partfeeder (2008) Co., Ltd. completed the liquidation with Department of Business Development, Ministry of Commerce.

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Investments in subsidiaries as at 31 December 2019 and 2018 were as follows:

	Type of business	Country of operation	Ownership interest (%)	Separate financial statements						Dividend income for the year				
				Paid-up capital		Cost		Impairment		At cost - net				
				2019	2018	2019	2018	2019	2018	2019	2018			
Direct subsidiaries														
Fuji Iron Works (Thailand) Co., Ltd.*	Design and produce machine, jigs and parts	Thailand	-	51.00	-	2,000	-	1,020	-	-	-	1,020	-	674
Eureka Design International PTE. LTD	Investing	Singapore	-	100.00	-	46,578	-	46,578	-	(19,713)	-	26,865	-	-
Eureka Automation Co., Ltd.	Design and produce automatic machine	Thailand	-	99.99	-	50,000	-	50,000	-	(15,399)	-	34,601	-	-
Eureka Tradings Co., Ltd.*	Retail business and sales of equipment and tools	Thailand	-	99.99	-	2,000	-	2,000	-	-	-	2,000	-	390
BS Myco Biotech Co., Ltd.	Manufacture of pesticides and agrochemical products	Thailand	-	85.65	46,700	-	34,999	-	-	-	34,999	-	-	-
Eureka UU Co., Ltd.	Manufacture and sell water, raw water	Thailand	-	90.00	7,000	-	6,300	-	-	-	6,300	-	-	-
Eureka Energy Co., Ltd.	Manufacture energy	Thailand	-	55.00	5,000	-	2,750	-	-	-	2,750	-	-	-
Total					44,049	99,598	-	99,598	(35,112)	44,049	64,486	1,064	-	1,064

All direct subsidiaries are incorporated in Thailand, except Eureka Design International PTE. LTD which is incorporated in Singapore.

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Details of the Company's indirect subsidiaries as at 31 December 2019 and 2018 are as follows:

	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Impairment		At Cost - net	
			2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>(in thousand Baht)</i>												
Indirect subsidiaries												
Eureka Design Indonesia Company Limited	Design and produce machine	Indonesia	-	99.55	-	20,903	-	20,808	-	(16,021)	-	4,786
Eureka Design India Private Limited	Design and produce machine	India	-	99.99	-	19,607	19,607	-	(3,692)	-	-	15,915
Total					-	40,415	40,415	-	(19,713)	-	-	20,701

*Fujii Iron Works (Thailand) Company Limited, Eureka Tradings Company Limited which were direct subsidiaries of the Company had registered its dissolution with Department of Business Development, Ministry of Commerce on 8 September 2017 and completed the liquidation on 19 November 2019.

In 2018, the Company performed impairment testing and the estimation of the recoverable amounts. The recoverable was based on its value in use, determined by discounting the future cash flows to be generated from the continuing operation of subsidiaries. In 2019, the Company sold investment in subsidiaries and reverse all amount of allowance for impairment investment.

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13 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2019				Total
	Eureka Energy Co., Ltd.	BS Myco Biotech Co., Ltd.	Other individually immaterial subsidiaries	Intra-group eliminations	
			<i>(in thousand Baht)</i>		
Non-controlling interest percentage	45%	14%			
Current assets	4,995	28,289			
Non-current assets	-	68,850			
Current liabilities	(90)	(37,023)			
Non-current liabilities	-	(165)			
Net assets	4,905	59,951			10,791
Carrying amount of non-controlling interest	2,208	8,651	(68)	-	
Revenue	-	15,374			
Profit	(95)	(14,639)			
Other comprehensive income	-	-			
Total comprehensive income	(95)	(14,639)			(2,482)
Loss allocated to non-controlling interest	(425)	(2,112)	55	-	
Other comprehensive income allocated to non-controlling interest	-	-	-	-	
Cash flows from operating activities	(11)	(45,710)			
Cash flows from investing activities	-	5,702			
Cash flows from financing activities	5,000	39,581			
Net increase (decrease) in cash and cash equivalents	4,989	(427)			

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	31 December 2018	
	Other individually immaterial subsidiaries	Intra-group eliminations
	<i>(in thousand Baht)</i>	
	Fujii Iron Works (Thailand) Company Limited	Total
Non-controlling interest percentage	49%	
Current assets	1,833	
Non-current assets	-	
Current liabilities	-	
Non-current liabilities	-	
Net assets	1,833	
Carrying amount of non-controlling interest	(56)	847
Revenue	87	
Loss	(174)	
Other comprehensive income	-	
Total comprehensive income	(174)	
Loss allocated to non-controlling interest	(85)	(98)
Other comprehensive income allocated to non-controlling interest	-	-
Cash flows from operating activities	2,272	
Cash flows from investing activities	(60)	
Cash flows from financing activities (dividends paid to non-controlling interest: Baht 0.6 million)	(1,321)	
Net increase in cash and cash equivalents	891	

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14 Other long-term investments

Other long-term investments as at 31 December 2019 and 2018 were as follows:

Type of business	Ownership interest		Paid-up capital		Cost	
	2019	2018	2019	2018	2019	2018
		(%)	<i>(in thousand Baht)</i>			
<i>Non-marketable equity securities</i>						
Bekutoru (Thailand) Company Limited	14	14	2,000	2,000	280	280
Selling machine, components, spare parts and equipment						
			280	280	280	280

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15 Property, plant and equipment

	Consolidated financial statements						Total
	Land and improvements	Buildings and improvements	Machinery and factory equipment	Office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	
<i>Cost / revaluation</i>							
At 1 January 2018	42,600	92,405	66,428	16,907	13,970	-	232,310
Additions	-	81	3,544	1,991	2,257	847	8,720
Transfers	-	-	(48)	-	-	(847)	(895)
Disposals / write off	-	(598)	(1,484)	(1,679)	(775)	-	(4,536)
At 31 December 2018 and 1 January 2019	42,600	91,888	68,440	17,219	15,452	-	235,599
Additions	-	2,337	6,619	1,393	-	-	10,349
Acquisitions through business combinations	4,907	48,132	6,785	295	-	-	60,119
Write off through disposal investment	-	(797)	(16,917)	(1,786)	(3,725)	-	(23,225)
Transfer	-	1,034	(6,662)	(1,258)	(879)	-	(7,765)
Disposals / write off	-	(231)	(1,736)	(2,460)	-	-	(4,427)
At 31 December 2019	47,507	142,363	56,529	13,403	10,848	-	270,650

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		Consolidated financial statements						
		Land and improvements	Buildings and improvements	Machinery and factory equipment	Office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
Accumulated depreciation								
	At 1 January 2018	-	28,788	35,864	13,156	6,248	-	84,056
	Depreciation charge for the year	-	5,230	6,809	2,244	1,630	-	15,913
	Transfers	-	-	(417)	-	-	-	(417)
	Disposals / write off	-	(376)	(607)	(862)	(775)	-	(2,620)
	At 31 December 2018 and 1 January 2019	-	33,642	41,649	14,538	7,103	-	96,932
	Depreciation charge for the year	-	5,620	4,911	1,129	560	-	12,220
	Write off through disposal investment	-	(445)	(4,234)	(875)	(1,493)	-	(7,047)
	Transfers	-	1,685	(8,040)	(637)	(414)	-	(7,406)
	Disposals / write off	-	(126)	(1,375)	(2,399)	-	-	(3,900)
	At 31 December 2019	-	40,376	32,911	11,756	5,756	-	90,799

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		Consolidated financial statements					Assets under construction and installation	Total
		Land and improvements	Buildings and improvements	Machinery and factory equipment	Office equipment <i>(in thousand Baht)</i>	Vehicles		
<i>Net book value</i>								
At 1 January 2018								
Owned assets		42,600	63,617	30,564	3,751	4,587	-	145,119
Assets under finance leases		-	-	-	-	3,135	-	3,135
		42,600	63,617	30,564	3,751	7,722	-	148,254
At 31 December 2018 and 1 January 2019								
Owned assets		42,600	58,246	26,791	2,681	7,849	-	138,167
Assets under finance leases		-	-	-	-	500	-	500
		42,600	58,246	26,791	2,681	8,349	-	138,667
At 31 December 2019								
Owned assets		47,507	101,987	23,618	1,647	5,092	-	179,851

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	Separate financial statements						Total
	Land and improvements	Buildings and improvements	Machinery and factory equipment	Office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	
Cost / revaluation							
At 1 January 2018	42,600	91,595	45,641	16,434	10,973	-	207,243
Additions	-	36	1,164	350	650	-	2,200
Transfers	-	-	(895)	-	-	-	(895)
Disposals	-	(488)	(1,101)	(2,134)	(775)	-	(4,498)
At 31 December 2018							
and 1 January 2019	42,600	91,143	44,809	14,650	10,848	-	204,050
Additions	-	15	92	654	-	-	761
Disposals	-	(231)	(1,384)	(2,376)	-	-	(3,991)
At 31 December 2019	42,600	90,927	43,517	12,928	10,848	-	200,820
Accumulated depreciation							
At 1 January 2018	-	28,509	24,055	12,554	4,830	-	69,948
Depreciation charge for the year	-	4,947	5,210	2,005	1,142	-	13,304
Transfers	-	-	(417)	-	-	-	(417)
Disposals	-	(296)	(781)	(1,669)	(776)	-	(3,522)
At 31 December 2018							
and 1 January 2019	-	33,160	28,067	12,890	5,196	-	79,313
Depreciation charge for the year	-	4,571	4,181	1,091	560	-	10,403
Disposals	-	(126)	(1,372)	(2,325)	-	-	(3,823)
At 31 December 2019	-	37,605	30,876	11,656	5,756	-	85,893

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		Separate financial statements						
		Land and improvements	Buildings and improvements	Machinery and factory equipment	Office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<i>Net book value</i>								
At 1 January 2018								
Owned assets		42,600	63,086	21,586	3,880	4,775	-	135,927
Assets under finance leases		-	-	-	-	1,368	-	1,368
		42,600	63,086	21,586	3,880	6,143	-	137,295
At 31 December 2018 and 1 January 2019								
Owned assets		42,600	57,983	16,742	1,760	5,152	-	124,237
Assets under finance leases		-	-	-	-	500	-	500
		42,600	57,983	16,742	1,760	5,652	-	124,737
At 31 December 2019								
Owned assets		42,600	53,322	12,641	1,272	5,092	-	114,927

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The gross amount of fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 15.0 million for the Group and the Company (*2018: Baht 22.9 million for the Group and the Company*).

Security

At 31 December 2019, the Company's property and plant with net book value of Baht 85.4 million (*2018: Baht 85.4 million*) were mortgaged to secure short-term loans from financial institutions (see note 17).

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16 Other intangible assets

	Consolidated financial statements			
	Computer software	Patents <i>(in thousand Baht)</i>	Customer relationships	Total
<i>Cost</i>				
At 1 January 2018	39,083	8,923	3,770	51,776
Additions	902	-	-	902
Disposals	(3)	-	(3,770)	(3,773)
At 31 December 2018	39,982	8,923	-	48,905
At 1 January 2019	600	-	-	600
Additions	-	6,000	-	6,000
Acquisitions through business combination	(22,248)	-	-	(22,248)
Disposals	(3,080)	-	-	(3,080)
Transfer	15,254	14,923	-	30,177
At 31 December 2019	15,254	14,923	-	30,177
<i>Accumulated amortization</i>				
At 1 January 2018	25,517	2,961	3,770	32,248
Amortisation for the year	5,349	1,784	-	7,133
Disposals	(3)	-	(3,770)	(3,773)
At 31 December 2018	30,863	4,745	-	35,608
At 1 January 2019	3,316	2,144	-	5,460
Amortisation for the year	(21,464)	-	-	(21,464)
Disposals	(3,024)	-	-	(3,024)
Transfer	9,691	6,889	-	16,580
At 31 December 2019	9,691	6,889	-	16,580
<i>Net book value</i>				
At 1 January 2018	13,566	5,962	-	19,528
At 31 December 2018	9,119	4,178	-	13,297
At 1 January 2019	5,563	8,034	-	13,597
At 31 December 2019	5,563	8,034	-	13,597

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	Separate financial statements		
	Computer software	Patents <i>(in thousand Baht)</i>	Total
<i>Cost</i>			
At 1 January 2018	38,637	8,923	47,560
Additions	877	-	877
Disposals	(2,612)	-	(2,612)
At 31 December 2018 and 1 January 2019	36,902	8,923	45,825
Additions	428	-	428
Disposals	(22,248)	-	(22,248)
At 31 December 2019	15,082	8,923	24,005
<i>Accumulated amortisation</i>			
At 1 January 2018	25,147	2,961	28,108
Amortisation for the year	5,181	1,785	6,966
Disposals	(2,026)	-	(2,026)
At 31 December 2018 and 1 January 2019	28,302	4,746	33,048
Amortisation for the year	3,032	1,785	4,817
Disposals	(21,464)	-	(21,464)
At 31 December 2019	9,870	6,531	16,401
<i>Net book value</i>			
At 1 January 2018	13,490	5,962	19,452
At 31 December 2018 and 1 January 2019	8,600	4,177	12,777
At 31 December 2019	5,212	2,392	7,604

17 Restricted deposits at financial institutions

At 31 December 2019 and 2018, the Group had deposits at local financial institutions which have been pledged as collateral for bank guarantees for its performance and loans from financial institutions.

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18 Interest-bearing liabilities

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Current					
Bank overdrafts					
Secured		18,325	12,584	16,808	12,584
Short-term loans from financial institutions					
Secured		51,125	46,501	45,000	46,017
Bank overdrafts and short-term loans from financial institutions		69,450	59,085	61,808	58,601
Current portion of long-term loans from financial institutions					
Secured		3,552	3,332	3,552	3,332
Short-term loans from related parties					
Unsecured	6	2,500	67,000	-	4,794
Current portion of finance lease liabilities		-	97	-	97
Total current interest-bearing liabilities		75,502	129,514	65,360	66,824
Non-current					
Long-term loans from financial institutions					
Secured		7,437	10,993	7,437	10,993
Total non-current interest-bearing liabilities		7,437	10,993	7,437	10,993
Total		82,939	140,507	72,797	77,817

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Within one year	75,502	129,417	65,360	66,727
After one year but within five years	7,437	10,993	7,437	10,993
Total	82,939	140,410	72,797	77,720

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Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Land and building	90,381	85,381	85,381	85,381
Fixed deposits	2,869	2,100	2,869	2,100
Total	93,250	87,481	88,250	87,481

As at 31 December 2019, bank overdrafts and promissory notes and short-term loans from financial institutions bore interest at rates of MOR and MLR minus 1% per annum (2018: MOR and MLR minus 1% per annum).

The Company entered into loan agreements with a local financial institution for periods from six to seven years. The loans mainly bear interest rates ranging from MLR minus 0.5% to 3% per annum and are repayable in monthly instalments until 2022. The outstanding loan balances as at 31 December 2019 amounted to Baht 11.0 million (2018: Baht 14.3 million).

As at 31 December 2019, the Group had unutilised credit facilities totalling Baht 8.2 million (2018: Baht 11.4 million).

The Company is committed to comply with certain conditions and restrictions prescribed in the loan agreements such as maintaining shareholding proportion, the debt to equity ratio, the debt service coverage ratio and the restriction relating to mortgage, pledge and claim of assets, etc. (see notes 15 and 17)

Breach of loan covenant

In 2019, the Company could not maintain the debt service coverage ratio as prescribed in the loans agreements with a financial institution due to the loss from operation. On 27 December 2019, the Company had obtained the debt covenant waiver letter from financial institution regarding such breach of loan covenant for the year ended 31 December 2019.

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated / Separate financial statements					
	2019			2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	-	-	-	98	(1)	97
After one year but within five years	-	-	-	-	-	-
Total	-	-	-	98	(1)	97

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As at 31 December 2018, the Group had entered into several finance lease agreements with local leasing companies to purchase machinery, equipment and vehicles. Such lease agreements had terms expiring up to 2019, and bore interest at rates ranging from 3.85% per annum in 2018. The agreements were repayable within periods of 24 to 60 months starting from June 2013. During 2019, the ownership of the machinery and equipment purchased under finance lease agreements had been transferred to the Group.

Interest-bearing liabilities of the Group and the Company as at 31 December 2019 and 2018 were dominated entirely in Thai Baht.

19 Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Other payables - related parties	6	-	-	-	79
Accrued operating expenses		3,525	8,821	1,369	4,392
Undue input value added tax		1,122	7,465	1,122	1,417
Payables for purchase of assets		286	-	58	-
Others		179	1,612	168	620
Total		5,112	17,898	2,717	6,508

20 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Statement of financial position				
Non-current provision for:				
Post-employment benefits	<u>1,680</u>	<u>7,056</u>	<u>1,486</u>	<u>3,955</u>
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	<u>7,630</u>	<u>994</u>	<u>2,686</u>	<u>541</u>
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	<u>(3,653)</u>	<u>(3,254)</u>	<u>(4,045)</u>	<u>(3,004)</u>
Cumulative actuarial gains recognised	<u>(4,318)</u>	<u>(592)</u>	<u>(4,073)</u>	<u>(28)</u>

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk and future salary growth rate risk.

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On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	7,056	9,340	3,955	7,084
Acquired in business combination	305	-	-	-
Included in profit or loss:				
Current service cost	7,388	814	2,444	425
Interest on obligation	242	180	242	116
	<u>7,630</u>	<u>994</u>	<u>2,686</u>	<u>541</u>
Included in other comprehensive income:				
Actuarial gain	(3,653)	(3,254)	(4,045)	(3,004)
Others:				
Transferring employee benefits obligations to subsidiary	-	-	(1,110)	(666)
Transfer out from disposal investment	(9,658)	-	-	-
Translating foreign operations	-	(24)	-	-
	<u>(13,311)</u>	<u>(3,278)</u>	<u>(5,155)</u>	<u>(3,670)</u>
As at 31 December	<u>1,680</u>	<u>7,056</u>	<u>1,486</u>	<u>3,955</u>

Actuarial gains recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Demographic assumptions	620	(1,064)	229	(739)
Financial assumptions	92	(526)	91	(297)
Experience adjustment	(4,365)	(1,664)	(4,365)	(1,968)
Total	<u>(3,653)</u>	<u>(3,254)</u>	<u>(4,045)</u>	<u>(3,004)</u>

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Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		(%)	Separate financial statements	
	2019	2018		2019	2018
Discount rate	2.04	1.43 to 3.93		2.04	1.43 to 3.93
Future salary growth	6.0	6.0 and 8.0		6.0	6.0 and 8.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
Defined benefit obligation				
31 December 2019				
Discount rate (1% movement)	(285)	333	(246)	303
Future salary growth (1% movement)	294	(242)	256	(213)

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
Defined benefit obligation				
31 December 2018				
Discount rate (1% movement)	(1,156)	1,344	(1,144)	1,329
Future salary growth (1% movement)	1,608	(1,387)	1,592	(1,374)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

21 Share capital

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	209,891	209,891
Increase	-	-
At 31 December	209,891	209,891

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22 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Differences arising from common control transactions

The differences arising from common control transactions represent the differences of the book values of certain entities or businesses under common control under their cost as of the date of their acquisition. It is non-distributable and will be retained until the respective subsidiaries are sold or otherwise disposed of.

Revaluation surplus

The revaluation surplus account within equity comprises the cumulative net change in the valuation of land included in the financial statements at valuation until it is sold or otherwise disposed of.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

23 Segment information and disaggregation of revenue

From 1 October 2019, the Group has presentation and disclosure of segment information as five reportable segments. Previously, the Group segment information just presented only three reportable segments as the Group consider that the segment of installation and maintenance of machine and manufacture of pesticides and agrochemical products were as material to the consolidated financial statements. The Group has applied retrospectively and segment information included in the financial statements for the period ended 31 December 2018, which are included in the Group’s financial statements for the period ended 31 December 2019 for comparative purposes, has been re-presented accordingly.

Management determined that the Group has five reportable segments, as described below, which are the Group’s strategic divisions for different manufacturing of products and rendering of services and are managed separately because they require different technology and marketing strategies. For each of the strategic division, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

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- Segment 1 Design manufacture and installation of semi - automatic machine
- Segment 2 Design manufacture and installation of automatic machine
- Segment 3 Installation and maintenance of machine
- Segment 4 Manufacture of pesticides and agrochemical products
- Segment 5 Others

Each segment's performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information about reportable segments

	Consolidated financial statements												
	Design manufacture and installation of semi - automatic machine		Design manufacture and installation of automatic machine		Installation and maintenance of machine		Manufacture pesticides and agrochemical products		Others		Elimination	Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018			
<i>For the year ended 31 December</i>													
<i>Information about report segment</i>													
External revenue	202,035	446,637	19,160	62,573	17,762	3,285	15,374	-	22,422	36,551	(42,949)	233,804	372,385
Primary geographical markets													
Thailand	188,958	420,251	19,160	62,573	17,193	3,285	15,374	-	21,329	26,134	(42,949)	219,065	335,582
India	13,077	26,386	-	-	569	-	-	-	1,093	10,417	-	14,739	36,803
Total	202,035	446,637	19,160	62,573	17,762	3,285	15,374	-	22,422	36,551	(42,949)	233,804	372,385
Timing of revenue recognition													
At a point in time	903	8,727	-	-	17,762	3,285	-	-	13,812	23,592	(5,921)	26,556	15,344
Over time	201,132	437,910	19,160	62,573	-	-	15,374	-	8,610	12,959	(37,028)	207,248	357,041
Total revenue	202,035	446,637	19,160	62,573	17,762	3,285	15,374	-	22,422	36,551	(42,949)	233,804	372,385
Segment income (loss) before income tax	9,637	24,998	(6,335)	(13,749)	(442)	(3,195)	(17,467)	-	33,472	(37,129)	(21,261)	(2,396)	(2,467)

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	Consolidated financial statements										Total		
	Design manufacture and installation of semi - automatic machine		Design manufacture and installation of automatic machine		Installation and maintenance of machine		Manufacture pesticides and agrochemical products		Others			Elimination	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018			
<i>For the year ended</i>													
<i>31 December</i>													
Gain on bargain purchase	-	-	-	-	-	-	-	-	26,874	-	-	26,874	-
Gain on disposal of investment	-	-	-	-	-	-	-	-	9,459	-	-	9,459	-
Other income	6,684	36,290	633	6,007	571	-	508	1,628	758	1,628	(36,775)	5,869	7,150
Expenses	(176,516)	(432,873)	(23,989)	(78,771)	(16,347)	(6,309)	(31,632)	(73,329)	(23,980)	(73,329)	239,160	(253,051)	(352,122)
Interest expense	(7,287)	(6,420)	(691)	(912)	(623)	(44)	(555)	(507)	(827)	(507)	1,317	(7,615)	(6,566)
Depreciation and amortisation	(15,279)	(18,636)	(1,449)	(2,646)	(1,305)	(127)	(1,163)	(1,473)	(1,733)	(1,473)	3,247	(17,682)	(23,046)
Share of loss of joint ventures	-	-	-	-	-	-	-	(269)	(53)	(269)	-	(53)	(269)
Segment assets	513,774	546,855	48,724	87,617	43,898	2,682	39,095	31,178	58,289	31,178	(366,044)	337,736	475,963
Segment liabilities	229,927	288,729	21,805	48,234	19,645	942	17,496	10,954	26,086	10,954	(205,444)	109,515	248,888

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Separate financial statements

	Design manufacture and installation of semi - automatic machine				Design manufacture and installation of automatic machine				Installation and maintenance of machine				Manufacture pesticides and agrochemical products				Others				Elimination			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
<i>For the year ended 31 December</i>																								
<i>Information about report segment</i>																								
Revenue	43,763	236,288	4,467	39,081	14,889	2,967	2,967	-	-	18,713	36,227	81,832	314,563											
Primary geographical markets																								
Thailand	43,763	236,288	4,467	39,081	14,889	2,967	2,967	-	-	18,713	36,227	81,832	314,563											
Timing of revenue recognition																								
At a point in time	903	3,392	-	-	14,889	2,967	2,967	-	-	17,213	35,383	33,005	41,742											
Over time	42,860	232,896	4,467	39,081	-	-	-	-	-	1,500	844	48,827	272,821											
Total revenue	43,763	236,288	4,467	39,081	14,889	2,967	2,967	-	-	18,713	36,227	81,832	314,563											
Segment income (loss)																								
before income tax	(31,871)	(6,145)	(4,545)	(4,977)	(1,832)	1,698	1,698	-	-	697	15,014	(37,551)	5,590											
Other income	10,792	23,635	1,102	3,987	-	-	-	-	-	4,264	854	16,158	28,476											
Expenses	(75,719)	(247,081)	(9,021)	(44,898)	(13,078)	(1,052)	(1,052)	-	-	(17,702)	(19,358)	(115,520)	(312,389)											
Interest expense	(2,568)	(3,629)	(262)	(601)	(874)	(41)	(41)	-	-	(1,098)	(518)	(4,802)	(4,789)											
Depreciation and amortisation	(8,139)	(15,359)	(831)	(2,545)	(2,769)	(175)	(175)	-	-	(3,480)	(2,191)	(15,219)	(20,270)											
Segment assets	153,076	322,242	15,625	53,394	52,079	3,678	3,678	-	-	65,456	45,970	286,236	425,284											
Segment liabilities	47,296	132,361	4,828	21,932	16,091	1,511	1,511	-	-	20,224	18,882	88,439	174,686											

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Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2019	2018
	<i>(in thousand Baht)</i>	
Revenues		
Total revenue from reportable segments	233,804	372,386
Other revenue	42,202	7,150
Consolidated revenue	276,006	379,536
Profit or loss		
Total loss for reportable segments	(2,396)	(2,467)
Consolidated loss before income tax	(2,396)	(2,467)
Assets		
Total assets for reportable segments	337,736	475,963
Consolidated total assets	337,736	475,963
Liabilities		
Total liabilities for reportable segments	109,515	248,888
Consolidated total liabilities	109,515	248,888
	Reportable segment totals	
	<i>(in thousand Baht)</i>	
	2019	2018
Other material items		
Interest income	176	457
Interest expense	7,615	6,566
Capital expenditure	10,086	8,004
Depreciation and amortisation	17,682	23,046
	35,559	38,073

Geographical segments

Segments 1 and 2 are managed, operated manufacturing facilities and sales offices in Thailand, India and other countries. Segments 3, 4 and 5 are managed, operated manufacturing facilities and sales offices in Thailand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenues		Non-current assets	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Thailand	261,214	342,656	217,024	173,617
India	14,773	36,839	-	4,185
Other countries	19	41	-	18,705
Total	276,006	379,536	217,024	196,507

Major customer

The Group's customer base comprises the large number of parties. There are no material revenues derived from one customer of the Group's total revenues.

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24 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Advertising and sales support expenses	12,321	2,948	447	1,644
Transportation expenses	4,296	3,792	1,447	2,873
Sales commission expenses	1,385	2,011	869	1,680
Travelling expenses	701	638	20	637
Others	223	76	17	60
Total	18,926	9,465	2,800	6,894

25 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Employee benefit expenses	50,121	54,009	22,254	35,186
Depreciation and amortisation	14,565	18,552	14,819	17,458
Consulting and professional fee	4,458	3,609	3,651	1,613
Utilities expense	3,343	3,392	3,151	3,079
Service fee	2,378	953	1,544	1,395
Miscellaneous expenses	2,296	7,109	811	3,626
Travelling expenses	1,980	5,617	528	2,981
Rental expense	1,525	2,254	-	1,186
Information systems service fee	1,366	2,130	957	1,971
Bad and doubtful debts expenses	(461)	1,251	152	248
Impairment loss on investments in subsidiaries	-	-	7,091	-
Others	7,761	8,004	4,660	5,693
Total	89,332	106,880	59,618	74,436

26 Employee benefit expenses

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Salaries and wages		62,171	72,183	17,107	33,012
Employee welfare		8,853	8,032	3,160	3,743
Defined benefit plans	20	7,630	994	2,686	541
Sales commission expense		898	1,966	643	1,635
Termination benefits		33	-	33	-
Others		20,232	19,613	2,191	8,413
Total		99,817	102,788	25,820	47,344

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Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 7% of their basic salaries and by the Group at rates ranging from 3% to 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

27 Expenses by nature

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Changes in inventories of finished goods and work in progress		(10,162)	(1,067)	(8,531)	(1,758)
Hire of work		29,413	45,589	48,545	223,424
Raw materials and consumables used		99,956	153,763	6,701	9,832
Employee benefit expenses	26	99,817	102,788	25,820	47,344
Depreciation		15,637	15,913	10,402	13,303
Amortisation		5,401	7,133	4,817	6,966
Impairment loss on investments in subsidiaries		-	-	7,091	-
Others		30,671	51,050	35,893	33,548
Total cost of sales of goods, distribution costs and administrative expenses		270,733	375,169	130,738	332,659

28 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Current tax expense				
Current year	2,493	(19)	-	-
Deferred tax				
Movements in temporary differences	13,601	(20,811)	18,488	(20,658)
Business combination	1,191	-	-	-
Total deferred tax	14,792	(20,811)	18,488	(20,658)
Total income tax	17,285	(20,830)	18,488	(20,658)

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Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2019			2018		
	Before tax	Tax expense	Currency translation difference	Net of tax (in thousand Baht)	Before tax	Net of tax
Foreign currency translation differences for foreign operations	-	-	-	-	(4,116)	(4,148)
Defined benefit plan actuarial gains	3,653	(731)	-	2,922	3,254	2,603
Total	3,653	(731)	-	2,922	(862)	(1,545)

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	Separate financial statements					
	Before tax	2019 Tax expense	Net of tax (in thousand Baht)	Before tax	2018 Tax expense	Net of tax
Defined benefit plan actuarial gains	4,045	(809)	3,236	3,004	(601)	2,403
Total	4,045	(809)	3,236	3,004	(601)	2,403

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2019 (in thousand Baht)	Rate (%)	2018 (in thousand Baht)
Loss before income tax expense		(2,396)		(2,467)
Income tax using the Thai corporation tax rate	20.0	(479)	20.0	(493)
Expenses not deductible for tax purposes		156		713
Income not subject to tax		-		(1,508)
Current year losses for which no deferred tax assets was recognised		18,863		731
Previous years losses for which no deferred tax assets were recognised		-		(15,200)
Previous years expenses for which no tax assets were recognised		-		(4,692)
Others		(1,255)		(381)
Total	(721.41)	17,285	844.3	(20,830)

	Separate financial statements			
	Rate (%)	2019 (in thousand Baht)	Rate (%)	2018 (in thousand Baht)
Profit (loss) before income tax expense		(37,551)		5,589
Income tax using the Thai corporation tax rate	20.0	(7,510)	20.0	1,118
Expenses not deductible for tax purposes		112		600
Income not subject to tax		-		(213)
Current year losses for which no deferred tax assets was recognised		18,863		-
Previous years losses for which no deferred tax assets were recognised		-		(8,864)
Previous years impairment of investment for which no deferred tax assets was recognised		-		(8,623)
Reversal of impairment of investment for which no deferred tax assets was recognised		7,022		-
Previous years expenses for which no tax assets were recognised		-		(4,597)
Others		1		(79)
Total	(49.23)	18,488	(369.6)	(20,658)

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Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	2,659	22,523	4,272	(3,822)
Set off of tax	(2,659)	(3,822)	(2,659)	3,822
Net deferred tax assets (liabilities)	-	18,701	1,613	-
	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	2,292	21,853	3,436	(3,700)
Set off of tax	(2,292)	(3,700)	(2,292)	3,700
Net deferred tax assets (liabilities)	-	18,153	1,144	-

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Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements						
	At 1 January 2019	Profit or loss	Other comprehensive income	Currency translation differences <i>(in thousand Baht)</i>	Acquired in business combination	Disposal of investment	At 31 December 2019
<i>Deferred tax assets</i>							
Property, plant and equipment <i>(depreciation gap)</i>	103	(84)	-	-	-	(1)	18
Trade accounts receivable <i>(doubtful accounts)</i>	208	(136)	-	-	-	-	72
Inventories <i>(allowance for decline in value)</i>	207	94	-	-	-	-	301
Provisions for employee benefits	538	686	(731)	-	(61)	(102)	330
Guarantee provisions	774	(814)	-	-	-	40	-
Expected costs provision	2,955	(1,351)	-	-	-	(22)	1,582
Expected losses provisions	235	(213)	-	-	-	(1)	21
Loss carry forward	17,502	(11,813)	-	-	-	(5,354)	335
Others	1	(629)	-	(171)	-	799	-
Total	22,523	(14,260)	(731)	(171)	(61)	(4,641)	2,659
<i>Deferred tax liabilities</i>							
Property, plant and equipment <i>(revaluation)</i>	(1,662)	294	-	-	(1,130)	-	(2,498)
Finance lease agreements	(2,160)	365	-	-	-	21	(1,774)
Total	(3,822)	659	-	-	(1,130)	21	(4,272)
Net		(13,601)	(731)	(171)	(1,191)	(4,624)	

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	Consolidated financial statements				
	At 1 January 2018	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Currency translation differences	At 31 December 2018
Deferred tax assets					
Property, plant and equipment <i>(depreciation gap)</i>	64	38	-	1	103
Trade accounts receivable <i>(doubtful accounts)</i>	92	124	-	(8)	208
Inventories <i>(allowance for decline in value)</i>	-	207	-	-	207
Provisions for employee benefits	1,138	49	(643)	(6)	538
Guarantee provisions	1,357	(564)	-	(19)	774
Expected costs provision	-	2,955	-	-	2,955
Expected losses provisions	305	(70)	-	-	235
Loss carry forward	-	17,502	-	-	17,502
Others	4	(3)	-	-	1
Total	2,960	20,238	(643)	(32)	22,523
Deferred tax liabilities					
Property, plant and equipment <i>(revaluation)</i>	(1,662)	-	-	-	(1,662)
Finance lease agreements	(2,733)	573	-	-	(2,160)
Total	(4,395)	573	-	-	(3,822)
Net		20,811	(643)	(32)	

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	At 1 January 2019	Separate financial statements (Charged) / credited to:		At 31 December 2019
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
Deferred tax assets				
Property, plant and equipment <i>(depreciation gap)</i>	31	(13)	-	18
Trade accounts receivable <i>(doubtful accounts)</i>	51	21	-	72
Inventories <i>(allowance for decline in value)</i>	207	94	-	301
Investment in subsidiaries <i>(allowance for impairment)</i>	7,023	(7,023)	-	-
Employee benefit obligations	384	723	(809)	298
Guarantee provisions	151	(151)	-	-
Expected costs provisions	2,937	(1,355)	-	1,582
Estimated loss provisions	21	-	-	21
Loss carry forward	11,048	(11,048)	-	-
Total	21,853	(18,752)	(809)	2,292
Deferred tax liabilities				
Property, plant and equipment <i>(revaluation)</i>	(1,662)	-	-	(1,662)
Finance lease agreements	(2,038)	264	-	(1,774)
Total	(3,700)	264	-	(3,436)
Net		(18,488)	(809)	
Separate financial statements (Charged) / credited to:				
	At 1 January 2018	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December 2018
Deferred tax assets				
Property, plant and equipment <i>(depreciation gap)</i>	46	(15)	-	31
Trade accounts receivable <i>(doubtful accounts)</i>	1	50	-	51
Inventories <i>(allowance for decline in value)</i>	-	207	-	207
Investment in subsidiaries <i>(allowance for impairment)</i>	-	7,023	-	7,023
Employee benefit obligations	1,010	(25)	(601)	384
Guarantee provisions	764	(613)	-	151
Expected costs provisions	-	2,937	-	2,937
Estimated loss provisions	249	(228)	-	21
Loss carry forward	-	11,048	-	11,048
Total	2,070	20,384	(601)	21,853
Deferred tax liabilities				
Property, plant and equipment <i>(revaluation)</i>	(1,662)	-	-	(1,662)
Finance lease agreements	(2,312)	274	-	(2,038)
Total	(3,974)	274	-	(3,700)
Net		20,658	(601)	

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Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Tax losses	18,863	731	18,863	-
Total	18,863	731	18,863	-

The tax losses will expire in 2022 for non-promoted businesses and in 2030 for promoted businesses. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

29 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to the manufacture of machine, equipment and part (the Promotional privileges expired when disposal investment on 25 July 2019) and the manufacture of biochemical product from fungi by biotechnology. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board of Investment.
- (b) exemption from payment of income tax for net profit derived from promote businesses for a period of eight years from the date on which the income is first derived from such operations.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenues from promoted and non-promoted businesses were as follows:

	Consolidated financial statements					
	2019			2018		
	Promoted Businesses *	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export revenue from services	39,588	39,059	78,647	-	213,872	213,872
Local revenue from Services	93,627	61,530	155,157	20,273	138,240	158,513
Total revenue	133,215	100,589	233,804	20,273	352,112	372,385

	Separate financial statements					
	2019			2018		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export revenue from services	-	23,787	23,787	-	121,081	121,081
Local revenue from services	-	58,045	58,045	-	193,482	193,482
Total revenue	-	81,832	81,832	-	314,563	314,563

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- * Export and local revenue from service of promoted business included revenue from Eureka Automation Co.,Ltd for the period from 1 January 2019 to 25 July 2019 (disposal investment date).

30 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result for operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (See note 17). However, management consider that the interest rate risk is not material, hence, the Group did not enter into hedging agreements to prevent such risk.

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The effective interest rates of debt securities and loans receivable as at 31 December and the periods in which the loans receivable and debt securities mature or re-price were as follows:

	Effective interest Rate (% per annum)	Consolidated financial statements	Separate financial statements
		Within 1 year (in thousand Baht)	Within 1 year
2019			
Current			
Loans receivable from related parties	- 7.4	-	19,000
2018			
Current			
Loans receivable from related parties	7.4 -	1,200	-

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements		
		Within 1 year	After 1 year but within 5 years	Total
(in thousand Baht)				
2019				
Current				
Loans from financial institutions	5.8 - 7.3	73,002	-	73,002
Loans from related parties	7.4	2,500	-	2,500
Non-current				
Loans from financial institutions	5.8 - 7.3	-	7,437	7,437
Total		75,502	7,437	82,939
2018				
Current				
Loans from financial institutions	5.8 - 7.3	62,417	-	62,417
Loans from related parties	7.4	67,000	-	67,000
Non-current				
Loans from financial institutions	5.8 - 7.3	-	10,993	10,993
Total		129,417	10,993	140,410

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	Effective interest rate (% per annum)	Separate financial statements		
		Within 1 year	After 1 year but within 5 years	Total
<i>(in thousand Baht)</i>				
2019				
Current				
Loans from financial institutions	5.8 - 7.3	65,360	-	65,360
Loans from related parties	7.4	-	-	-
Non-current				
Loans from financial institutions	5.8 - 7.3	-	7,437	7,437
Total		63,360	7,437	72,797
2018				
Current				
Loans from financial institutions	5.8 - 7.3	61,933	-	61,933
Loans from related parties	7.4	4,794	-	4,794
Non-current				
Loans from financial institutions	5.8 - 7.3	-	10,993	10,993
Total		66,727	10,993	77,720

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases, sales and services which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Rupiah Indonesia				
Cash and cash equivalents	-	1,964	-	1
Other receivables	-	496	-	-
Other payables	-	(174)	-	-
Gross financial position exposure	-	2,286	-	1
Rupee India				
Cash and cash equivalents	-	8,877	-	-
Trade accounts receivable	-	5,327	-	-
Other receivables	-	317	-	-
Trade accounts payable	-	(1,319)	-	-
Other payables	-	(836)	-	-
Gross financial position exposure	-	12,366	-	-

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	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
United States Dollars				
Cash and cash equivalents	1	50	1	50
Trade accounts receivable	9,560	1,038	9,560	1,038
Gross financial position exposure	9,561	1,088	9,561	1,088
Singapore Dollars				
Cash and cash equivalents	-	814	-	-
Other receivables	-	88	-	-
Other payables	-	(235)	-	-
Gross financial position exposure	-	667	-	-
Europe Euro				
Trade accounts receivable	7,231	-	7,231	-
Other receivables	-	31	-	31
Gross financial position exposure	7,231	31	7,231	31
Others				
Cash and cash equivalents	-	4	-	4
Trade accounts payable	-	162	-	-
Gross financial position exposure	-	166	-	4

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection over allowance for doubtful accounts.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount and fair values

Fair values of current financial assets and liabilities approximate to the carrying values as these financial instruments have short-term maturity.

Fair values of non-current financial liabilities approximate to the carrying values as interest rate approximate to market rate.

Fair values of long-term loans from financial institutions approximate to the carrying values due to interest rate approximate to market rate.

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31 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	1,732	3,719	672	1,590
After one year but within five years	478	2,349	478	300
Total	2,210	6,068	1,150	1,890
<i>Other commitments</i>				
Forward contracts	-	3,151	-	3,151
Total	-	3,151	-	3,151

Operating lease agreements

The Group entered into operating lease agreements for rental and other services for the periods of 1 year to 4 years up to March 2023 at the agreed amount stipulated in the lease agreements.

Forward exchange contracts

As at 31 December 2019, the Group had no outstanding forward exchange contracts of US Dollars (2018: US Dollars 0.1 million equivalent to Baht 3.2 million).

Letters of guarantee for performance

As at 31 December 2019, the Company has no commitments in respect of letters of guarantee issued by financial institutions as guarantee for its performance (2018: 2.1 million).

32 Contingent liabilities

In 2019, the Company was subjected to a litigation claim by the customer. The claim for compensation relating to manufacturing of machine amounted to Baht 4.3 million. Presently, the litigation proceeding in the Court was underway. However, management believes that the Company is not materially liable to pay compensation. Therefore, no provision for the litigation has been set aside in the financial statements as at 31 December 2019.

33 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows.

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

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(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

(b) TFRS 16 – Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.