

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES

CONSOLIDATED AND ENTITY FINANCIAL STATEMENTS

31 DECEMBER 2015



AUDITOR'S REPORT

To the Members of The Stock Exchange of Thailand

I have audited the accompanying consolidated and entity financial statements of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand which comprise the consolidated and entity statements of financial position as at 31 December 2015, and the related consolidated and entity statements of comprehensive revenues and expenses, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In my opinion, the consolidated and entity financial statements referred to above present fairly, in all material respects, the consolidated and entity financial position of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand as at 31 December 2015, and its consolidated and entity results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to read "Unakorn Phruithithada".

Unakorn Phruithithada
Certified Public Accountant (Thailand) No. 3257
PricewaterhouseCoopers ABAS Ltd.

Bangkok
17 February 2016

The Stock Exchange of Thailand and its Subsidiaries
Statements of Financial Position
As at 31 December 2015

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	9	1,661,333	1,360,901	1,513,084	1,220,729
Cash at banks for financial benefits payable		62,112	57,814	-	-
Assets for margin deposits and benefits	18	8,829,615	8,053,630	-	-
Short-term investments, net	10	6,086,024	7,837,836	6,086,024	7,837,836
Accounts receivable and accrued income, net	8, 11	349,032	365,520	312,504	305,950
Accrued interest receivable		87,600	103,555	85,423	98,753
Other current assets	8, 12	250,524	232,930	159,732	140,728
Total current assets		17,326,240	18,012,186	8,156,767	9,603,996
Non-current assets					
Investments in subsidiaries	13	-	-	1,097,291	597,291
Investments in associates and joint venture entity, net	14	967,734	945,069	800,620	800,620
Long-term investments, net	15	9,263,105	8,690,342	9,263,105	8,690,342
Assets for clearing system protection and benefits	19	1,599,603	1,518,935	138,242	134,843
Securities Investor Protection Fund	24	717,021	698,332	717,021	698,332
Derivatives Investor Protection Fund	24	73,256	65,273	-	-
Property, plant and equipment, net	16	5,680,104	4,026,039	5,678,315	4,025,414
Intangible assets, net	17	506,021	493,254	504,446	491,309
Refundable deposits		3,035	3,015	3,025	3,005
Total non-current assets		18,809,879	16,440,259	18,202,065	15,441,156
Total assets		36,136,119	34,452,445	26,358,832	25,045,152

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

The Stock Exchange of Thailand and its Subsidiaries
Statements of Financial Position (Cont'd)
As at 31 December 2015

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2015	2014	2015	2014
Liabilities and fund balances					
Current liabilities					
Margin deposits and benefits payable	18	8,829,615	8,053,630	-	-
Accounts payable and accrued expenses	8, 21	1,226,232	1,600,634	1,209,922	1,580,637
Fees received in advance		317,375	249,727	266,379	196,299
Short-term borrowings from subsidiaries	8	-	-	1,896,500	1,271,314
Current portion of provision for employee benefits	23	4,785	5,561	4,785	5,561
Other current liabilities	8, 22	382,051	436,310	175,962	230,174
Total current liabilities		10,760,058	10,345,862	3,553,548	3,283,985
Non-current liabilities					
Assets for clearing system protection and benefits payable	19	1,461,361	1,384,092	-	-
Contributions and benefits to Securities Investor Protection Fund	24	275,086	264,895	275,086	264,895
Contributions and benefits to Derivatives Investor Protection Fund	24	19,980	13,083	-	-
Provision for employee benefits	23	222,459	197,479	222,459	197,479
Other non-current liabilities		7,619	8,357	7,619	8,357
Total non-current liabilities		1,986,505	1,867,906	505,164	470,731
Total liabilities		12,746,563	12,213,768	4,058,712	3,754,716
Fund balances					
Funds	24	23,250,689	21,882,035	22,153,272	20,925,816
Other components of fund balances		138,865	356,640	146,848	364,620
Non-controlling interests		2	2	-	-
Total fund balances		23,389,556	22,238,677	22,300,120	21,290,436
Total liabilities and fund balances		36,136,119	34,452,445	26,358,832	25,045,152

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

The Stock Exchange of Thailand and its Subsidiaries
Statements of Comprehensive Revenues and Expenses
For the year ended 31 December 2015

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2015	2014	2015	2014
Revenues					
Operating revenues	26	4,518,405	4,200,820	1,955,884	1,861,296
Investment income, net	27	492,014	871,129	905,411	1,247,033
Other income	28	204,665	165,174	1,798,252	1,699,123
Total revenues		5,215,084	5,237,123	4,659,547	4,807,452
Expenses					
Employee benefit expenses	29	1,371,923	1,259,918	1,372,023	1,260,017
Directors' remuneration	8	24,431	24,582	22,395	22,899
Marketing expenses		194,672	143,326	180,161	143,158
Educational activity expenses		196,130	191,929	196,138	191,931
Direct service expenses		281,160	271,012	-	-
Building and office expenses		189,043	164,164	188,526	163,601
Technology expenses		183,698	185,942	183,634	185,920
SEC fees	30	455,700	470,483	453,700	468,483
Depreciation and amortisation	16, 17	294,768	208,240	294,195	205,890
Other expenses	31	143,362	162,131	136,542	149,712
Total expenses		3,334,887	3,081,727	3,027,314	2,791,611
Share of profit of investments in associates and joint venture entity (net of tax)	14	32,114	24,179	-	-
Revenues over expenses		1,912,311	2,179,575	1,632,233	2,015,841
Non-operating items					
Income derived from Securities Investor Protection Fund, net	25	10,304	14,601	10,304	14,601
Income derived from Derivatives Investor Protection Fund, net	25	1,086	1,197	-	-
Contributions to the Stock Exchange of Thailand Foundation	8	(401,379)	(547,222)	(401,379)	(547,222)
Revenues over expenses before income tax expense		1,522,322	1,648,151	1,241,158	1,483,220
Income tax expense	32	(139,966)	(112,674)	-	-
Revenues over expenses		1,382,356	1,535,477	1,241,158	1,483,220
Revenues over expenses for the year attributable to:					
Owners of the parent		1,382,356	1,535,477	1,241,158	1,483,220
Non-controlling interests		-	-	-	-
		1,382,356	1,535,477	1,241,158	1,483,220

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

The Stock Exchange of Thailand and its Subsidiaries
Statements of Comprehensive Revenues and Expenses (Cont'd)
For the year ended 31 December 2015

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2015	2014	2015	2014
Revenues over expenses		1,382,356	1,535,477	1,241,158	1,483,220
Other comprehensive revenues and expenses:					
Items that will be reclassified subsequently to revenues and expenses					
Share of profit in investments in associates	14	(4)	(86)	-	-
Change in value of available-for-sale investments managed by SET		(215,966)	46,299	(215,966)	46,063
Change in value of available-for-sale investments from Securities Investor Protection Fund		(1,806)	4,102	(1,806)	4,102
Income tax relating to items that will be reclassified subsequently to revenues and expenses		1	(30)	-	-
Total items that will be reclassified subsequently to revenues and expenses		<u>(217,775)</u>	<u>50,285</u>	<u>(217,772)</u>	<u>50,165</u>
Items that will not be reclassified subsequently to revenues and expenses					
Remeasurements of post-employment benefits obligations		(13,702)	-	(13,702)	-
Total items that will not be reclassified subsequently to revenues and expenses		<u>(13,702)</u>	<u>-</u>	<u>(13,702)</u>	<u>-</u>
Other comprehensive revenues and expenses for the year, net of tax		<u>(231,477)</u>	<u>50,285</u>	<u>(231,474)</u>	<u>50,165</u>
Total comprehensive revenues and expenses for the year		<u>1,150,879</u>	<u>1,585,762</u>	<u>1,009,684</u>	<u>1,533,385</u>
Total comprehensive revenues and expenses for the year attributable to:					
Owners of the parent		1,150,879	1,585,762	1,009,684	1,533,385
Non-controlling interests		-	-	-	-
		<u>1,150,879</u>	<u>1,585,762</u>	<u>1,009,684</u>	<u>1,533,385</u>

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

The Stock Exchange of Thailand and its Subsidiaries
Statement of Changes in Fund Balances
For the year ended 31 December 2015

(Unit : Baht'000)								
Consolidated								
Other components of fund balances								
		Change in value of available- for-sale investments managed by SET (net of tax)	Change in value of available- for-sale investments from Securities Investor Protection Fund (net of tax)	Share of other comprehensive income of associates (net of tax)	Total other components of fund balance	Total fund balances	Non- controlling interests	Total fund balances
Notes	Fund balances							
Opening balance at 1 January 2014	20,346,558	305,985	370	-	306,355	20,652,913	2	20,652,915
Other comprehensive revenues and expenses (net of tax)	25	-	4,102	(69)	50,285	50,285	-	50,285
Revenues over expenses	24	1,535,477	-	-	-	1,535,477	-	1,535,477
Closing balance at 31 December 2014	21,882,035	352,237	4,472	(69)	356,640	22,238,675	2	22,238,677
Opening balance at 1 January 2015	21,882,035	352,237	4,472	(69)	356,640	22,238,675	2	22,238,677
Other comprehensive revenues and expenses (net of tax)	25	(13,702)	(1,806)	(3)	(217,775)	(231,477)	-	(231,477)
Revenues over expenses	24	1,382,356	-	-	-	1,382,356	-	1,382,356
Closing balance at 31 December 2015	23,250,689	136,271	2,666	(72)	138,865	23,389,554	2	23,389,556

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

The Stock Exchange of Thailand and its Subsidiaries
Statement of Changes in Fund Balances (Cont'd)
For the year ended 31 December 2015

(Unit : Baht'000)					
SET					
Other components of fund balances					
Notes	Fund balance	Change in value of available- for-sale investments managed by SET (net of tax)	Change in value of available-for- sale investments from Securities Investor Protection Fund (net of tax)	Total other components of fund balances	Total fund balances
Opening balance at 1 January 2014	19,442,596	314,085	370	314,455	19,757,051
Other comprehensive revenues and expenses (net of tax)	25 -	46,063	4,102	50,165	50,165
Revenues over expenses	24 1,483,220	-	-	-	1,483,220
Closing balance at 31 December 2014	20,925,816	360,148	4,472	364,620	21,290,436
Opening balance at 1 January 2015	20,925,816	360,148	4,472	364,620	21,290,436
Other comprehensive revenues and expenses (net of tax)	25 (13,702)	(215,966)	(1,806)	(217,772)	(231,474)
Revenues over expenses	24 1,241,158	-	-	-	1,241,158
Closing balance at 31 December 2015	22,153,272	144,182	2,666	146,848	22,300,120

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

The Stock Exchange of Thailand and its Subsidiaries
Statements of Cash Flows
For the year ended 31 December 2015

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2015	2014	2015	2014
Cash flows from operating activities					
Revenues over expenses before income tax expense		1,522,322	1,648,151	1,241,158	1,483,220
Adjustments for					
Depreciation and amortisation	16, 17	294,768	208,240	294,195	205,890
Investment income, net	27	(481,338)	(847,832)	(896,088)	(1,226,965)
Income derived from Securities Investor Protection Fund, net	25	(10,304)	(14,601)	(10,304)	(14,601)
Income derived from Derivatives Investor Protection Fund, net	25	(1,086)	(1,197)	-	-
Reversal allowance for impairment of investments		(250)	(2,530)	(250)	(2,530)
Doubtful debts expenses (reversal)	27	332	332	27	(35)
Provision for employee benefits		23,097	32,757	23,097	32,757
Adjust work in process to expenses (revenues)		2,985	(83)	2,985	(83)
(Gain) loss on disposals of assets		95	(129)	95	(129)
Share of profit of investments in associates and joint venture entity (net of tax)		(32,114)	(24,179)	-	-
		1,318,202	998,929	654,915	477,524
Changes in operating assets and liabilities					
(Increase) decrease in operating assets					
Assets for margin deposits and benefits		(775,985)	1,308,203	-	-
Accounts receivable and accrued income		16,461	(78,300)	(6,581)	(86,666)
Other current assets		(13,957)	364,894	(15,372)	103,768
Assets for clearing system protection and benefits		(80,668)	24,511	(3,399)	(4,008)
Securities Investor Protection Fund		(19,623)	(33,677)	(19,623)	(33,677)
Derivatives Investor Protection Fund		(8,343)	(6,965)	-	-
Refundable deposits		(20)	-	(20)	-
Increase (decrease) in operating liabilities					
Margin deposits and benefits payables		775,985	(1,308,203)	-	-
Accounts payable and accrued expenses		(531,490)	256,252	(527,119)	252,437
Fees received in advance		67,648	9,478	70,080	26,797
Other current liabilities		(67,067)	(310,608)	(54,212)	(13,422)
Assets for clearing system protection and benefits payable		77,269	(28,518)	-	-
Contributions and benefits to Securities Investor Protection Fund		10,191	14,196	10,191	14,196
Contributions and benefits to Derivative Investor Protection Fund		6,897	5,122	-	-
Employee benefits paid	23	(11,386)	(10,589)	(11,386)	(10,589)
Other non-current liabilities		(738)	(16,698)	(738)	(16,698)
Cash flows generated from operations		763,376	1,188,027	96,736	709,662
<u>Less</u> Income tax paid		(127,162)	(136,787)	-	-
Net cash generated from operating activities		636,214	1,051,240	96,736	709,662

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

The Stock Exchange of Thailand and its Subsidiaries

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2015

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2015	2014	2015	2014
Cash flows from investing activities					
Investment income received		381,599	533,483	372,432	527,503
Dividend received		110,256	443,914	558,094	858,753
Purchase of short-term investments	10	(1,051,902)	(5,058,083)	(1,051,902)	(5,058,083)
Proceeds from disposals of short-term investments	10	4,638,501	6,111,593	4,638,501	6,065,393
Purchase of investment in subsidiaries	13	-	-	(500,000)	-
Purchase of investment in associates	14	-	(379,015)	-	(379,015)
Purchase of long-term investments	15	(4,806,774)	(3,251,558)	(4,806,774)	(3,251,558)
Proceeds from disposals of long-term investments	15	2,183,508	1,477,578	2,183,508	1,474,578
Purchase of property, plant and equipment	16	(1,715,482)	(1,292,089)	(1,714,799)	(1,292,089)
Proceeds from disposals of property, plant and equipment		3,839	1,764	3,839	1,764
Purchase of intangible assets	17	(97,158)	(134,845)	(97,158)	(134,286)
Proceeds from share of profit of investments in joint venture entity		-	849	-	-
Proceeds from share of profit of investments in associates		9,445	26,326	-	-
Benefits received from Securities Investor Protection Fund		11,238	15,379	11,238	15,379
Benefits received from Derivatives Investor Protection Fund		1,446	1,843	-	-
Net cash used in investing activities		(331,484)	(1,502,861)	(403,021)	(1,171,661)
Cash flows from financing activities					
Cash inflow on short-term borrowings from subsidiaries	8	-	-	875,000	395,314
Repayment of short-term borrowings from subsidiaries	8	-	-	(249,814)	(370,000)
Interest paid		-	-	(26,546)	(28,949)
Net cash generated from (used in) financing activities		-	-	598,640	(3,635)
Net increase (decrease) in cash and cash equivalents		304,730	(451,621)	292,355	(465,634)
Opening balance		1,418,715	1,870,336	1,220,729	1,686,363
Closing balance		1,723,445	1,418,715	1,513,084	1,220,729
Supplemental disclosures of cash flows information					
Cash and cash equivalents are as follows:					
Cash and cash equivalents	9	1,661,333	1,360,901	1,513,084	1,220,729
Cash at a banks for financial benefits payable		62,112	57,814	-	-
		1,723,445	1,418,715	1,513,084	1,220,729
Significant non-cash transactions					
Unrealised gain (loss) on available-for-sale securities		(215,969)	46,183	(215,966)	46,063
Unrealised gains (loss) on available-for-sale securities from Securities Investor Protection Fund		(1,806)	4,102	(1,806)	4,102
Other payables from purchase of assets		155,879	193,540	155,195	193,540
Classification of investments		1,825,657	(1,748,011)	1,825,657	(1,748,011)

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

1 General information

The Stock Exchange of Thailand (SET) is a juristic entity incorporated in Thailand under the Securities Exchange of Thailand Act B.E. 2517. The principal business activities of the SET are serving as the market or the centre for trading of securities and providing related services without the objective of distribution of profit to members. The SET commenced its trading of securities on 30 April 1975 and operates under the framework of the Securities Exchange of Thailand Act B.E. 2535. Its registered office is located at 93 Floor 17 Ratchadapisek Road, Kwaeng Din Daeng, Khet Din Daeng, Bangkok 10400, Thailand.

For reporting purposes, the SET and its subsidiaries are referred to as the Group.

The principal activities of SET and its subsidiaries are summarised as follows:

- 1) Securities markets comprise the operation of securities listing, trading system, clearing and settlement, depository, including market surveillance and supervision of listed companies and member companies.
- 2) Derivatives markets comprise the operation of trading and clearing of futures contracts and financial securities, providing other services related to futures trading transactions.
- 3) Technology services comprise the operation of internet trading platform for securities and derivatives, information services and other member services.
- 4) Registrar services comprise the operation of securities registrar.

The consolidated and entity financial statements were authorised for issue by the Board of Governors of the Stock Exchange of Thailand on 17 February 2016.

Details of the SET's subsidiaries, associates and joint venture entity as at 31 December 2015 and 2014 are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest %	
			2015	2014
Direct subsidiaries				
Thailand Securities Depository Co., Ltd.	Securities depository and registrar services	Thailand	100.00	100.00
Thai Trust Fund Management Co., Ltd.	Mutual fund management	Thailand	100.00	100.00
Thai NVDR Co., Ltd.	Investment management in Non-Voting Depository Receipts	Thailand	100.00	100.00
SETTRADE.COM Co., Ltd.	Computer system services	Thailand	100.00	100.00
Siam DR Co., Ltd.	Investment management in Depository Receipts	Thailand	100.00	100.00
Thailand Futures Exchange Public Company Limited	Derivatives exchange	Thailand	100.00	100.00
Thailand Clearing House Co., Ltd.	Clearing house and related back-office services for securities and derivatives contracts	Thailand	100.00	100.00
Joint venture entity				
Family Know-how Co., Ltd. (1)	Media business specialising in financial and investment information	Thailand	50.00	50.00
Associates				
Clearing Fund (2)	Fund	Thailand	12.80	14.03
TSFC Securities Public Company Limited (3)	Securities financing services and securities borrowing and lending	Thailand	40.65	40.65

1 General information (Cont'd)

Details of the SET's subsidiaries, associates and joint venture entity as at 31 December 2015 and 2014 are as follows: (Cont'd)

(1) Family Know-how Co., Ltd.

Family Know-how Co., Ltd. is a media company that broadcasts information about economics and investment for the benefits of investor. The business of Family Know-how is support to the objectives of the SET group in promoting an investment culture. The SET has performed joint arrangement with a company which have rights to the net assets of the arrangement. Therefore the investment in Family Know-how is classified as investment in joint venture entity.

Family Know-how Co., Ltd. is a private limited company and its stock is not traded in the market price.

(2) Clearing Fund

The Clearing Fund operates under the Regulations of the Clearing Fund (No. 1) B.E. 2541, which require that a one-time payment of Baht 100 million be made as an initial contribution by the SET. The ownership interest percentage will be reduced based on further contributions made by other members of the Clearing Fund in the future. The SET has no control over the Clearing Fund's operations, but has influences in policy and operation. Therefore, the investment in the Clearing Fund is classified as investment in an associates.

(3) TSFC Securities Public Company Limited (TSFC)

TSFC Securities Public Company Limited has been established to provide liquidity for securities companies and to support to the further development of securities market. The SET has appointed 4 representatives to be member of the 12-member Board of Directors of TSFC. The Board of Directors will participate in the decision-making on monetary policies and operations of the company. Therefore, the investment in TSFC is classified as investment in an associates.

TSFC Securities Public Company Limited is a public company and its stock is not traded in the market price.

2 Accounting policies

2.1 Basis of preparation

The consolidated and entity financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547.

The consolidated and entity financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy for investments below.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and entity financial statements are disclosed in Note 5.

An English version of the consolidated and entity financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New financial reporting standards and revised financial reporting standards

- 1) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group:

- a) Financial reporting standards, which have a significant impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

TAS 1 (revised 2014), the main change is that a requirement for entities to Group items presented in 'other comprehensive revenues and expenses' (OCI) on the basis of whether they are potentially reclassifiable to revenues and expenses subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The group has already grouped and presented items in statement of comprehensive revenues and expenses following the changes in this standard.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive revenues and expenses' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in revenues and expenses; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. This standard has no significant impact to the Group.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- 1) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group: (Cont'd)

- a) Financial reporting standards, which have a significant impact to the Group: (Cont'd)

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the Group, except for disclosures.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Group, except for disclosures.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Group, except for disclosures.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Group, except for disclosures.

TFRIC 14 (revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This standard has no impact to the Group.

- b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

There are 41 financial reporting standards with minor changes. The management assesses that they do not have an impact to the Group's financial statements.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- 2) New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted:

- a) Financial reporting standards, which have a significant impact to the Group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 13 (revised 2015)	Fair value measurement

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS 10 (revised 2015) 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

The management is currently assessing the impact of these financial reporting standards.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- 2) New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted: (Cont'd)
- b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

There are 40 financial reporting standards with minor changes. The management is currently assessing the impact of these financial reporting standards.

2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains or loss on transactions between the Group are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the SET's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with the Fund. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in the Fund. Gains or losses on disposals to non-controlling interests are also recorded in the Fund.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in revenues and expenses. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive revenues and expenses in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures (Cont'd)

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive revenues and expenses is reclassified to revenues and expenses where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the revenues and expenses, and its share of post-acquisition movements in other comprehensive revenues and expenses is recognised in other comprehensive revenues and expenses. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statement of comprehensive revenues and expenses.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the revenues and expenses.

In the SET's separated financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures (Cont'd)

(5) Joint arrangements

The Group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive revenues and expenses. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 January 2015.

2.4 Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Group's functional and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the revenues or expenses.

When a gain or loss on a non-monetary item is recognised in other comprehensive revenues and expenses, any exchange component of that gain or loss is recognised in other comprehensive revenues and expenses. Conversely, when a gain or loss on a non-monetary item is recognised in revenues or expenses, any exchange component of that gain or loss is recognised in revenues or expenses.

2 Accounting policies (Cont'd)

2.5 Underlying assets

Underlying assets are the financial assets carried by Thai NVDR Co., Ltd. (the subsidiary). The financial liabilities are the Non-Voting Depository Receipts (NVDRs). The subsidiary will offset the financial assets and financial liabilities, and show the net amount in the financial statements. According to the regulations and conditions in the prospectus, the subsidiary are responsible for issuing and selling NVDRs and making investments in listed companies in the Stock Exchange of Thailand at the same amount and in the same period (back to back). In addition to the entitlement of financial benefits of those underlying securities as the registered holder, the subsidiaries have an obligation to repay those financial benefits to the investors in the NVDRs as mentioned in the prospectus. Those benefits are not recognised as revenues or expenses of the subsidiary.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, call deposits (excluding deposits held to maturities), other short-term highly liquid investments held for working capital and short-term commitment payment purposes with maturities from acquisition date of three months or less.

2.7 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. The unrealised gains and losses of trading investments are recognised in statement of comprehensive revenues and expenses. The unrealised gains and losses of available-for-sale in investments are recognised in other comprehensive revenues and expenses.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

2 Accounting policies (Cont'd)

2.7 Investments (Cont'd)

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive revenues and expenses.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the revenues and expenses. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.8 Accounts receivable and accrued income

Accounts receivable and accrued income are carried at original invoice amount less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments, assessment of the future cash flows, known and identified instances of default and consideration of market trends. Bad debts are written off when incurred and recognised as part of other expenses in the statement of comprehensive revenues and expenses.

2.9 Property, plant and equipment

Land is stated at cost less impairment losses. Property and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the statement of comprehensive revenues and expenses on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, except for land which is considered to have an unlimited useful life. The estimated useful lives are as follows:

Land improvements	5 years
Buildings	10 - 50 years
Building improvements	3 - 30 years
Furniture and fixtures	5 - 20 years
Office equipment	5 - 10 years
Vehicles	5 - 7 years

Management determines the estimated useful lives and residual values for the Group's property and equipment. Management will appropriately revise the residual values and useful lives of assets when the residual values and useful lives differ from previous estimations, or it will write-off technically obsolete assets or assets which have been sold or abandoned.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repair and maintenance expenses are charged to the statement of comprehensive revenues and expenses during the financial period in which they are incurred. The cost of major renovation is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful lives of the related assets.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive revenues and expenses.

2 Accounting policies (Cont'd)

2.10 Intangible assets

Intangible assets, computer software, patent and right in operation, that are acquired by the Group, which have finite useful lives, are recognised at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of comprehensive revenues and expenses on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are 5 - 10 years.

Costs associated with developing or maintaining computer software are recognised as expenses as incurred in the statement of comprehensive revenues and expenses. Costs that are directly associated with identifiable and unique software products controlled by the Group and have probable economic benefits exceeding the cost beyond one year are recognised as intangible assets. Direct costs include the purchase price and an appropriate portion of relevant overheads to allow such asset to be ready for its intended use. Expenditure which is incurred to enhance or extend the performance of computer software beyond its original specifications is recognised as an intangible asset.

Management determines the estimated useful lives of intangible assets. Management will revise the amortisation charge where useful lives differ from the previous estimations or it will write-off technically obsolete assets or assets which have been sold or abandoned.

2.11 Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 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 the statement of comprehensive revenues and expenses over the period of the borrowings on an effective interest basis.

2.13 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

2 Accounting policies (Cont'd)

2.14 Employee benefits

2.14.1 Retirement benefits

The Group operates various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Fund in other comprehensive revenues and expenses in the period in which they arise.

Past-service costs are recognised immediately in revenues and expenses.

2.14.2 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2 Accounting policies (Cont'd)

2.15 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.16 Lease-where a Group is the lessee

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of comprehensive revenues and expenses on a straight-line basis over the term of the lease. Lease incentives granted are recognised in the statement of comprehensive revenues and expenses as an integral part of the total rental income. Contingent rentals are charged to the statement of comprehensive revenues and expenses for the accounting period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.17 Revenue

Revenue excludes value added taxes.

Service income is recognised upon performance of services.

Where there are long-outstanding receivables from listing fee and registrar fee collection over three months, the Group considers the collectability of the receivables as doubtful and ceases revenue recognition on fees of related companies immediately.

Membership fees comprise initial and annual fees. The initial fees are recognised as revenue on a straight-line basis over a period of five years starting from the first day on which the service is rendered for security companies who provided initial support and for security companies subscribed from 2015 onward, the initial fee are recognised as revenue in the commencing. Annual fees are recognised upon performance of services.

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividend income is recognised in the statement of comprehensive revenues and expenses when the Group's right to receive payment is established.

Other income is recognised when the right to receive cash is established.

2 Accounting policies (Cont'd)

2.18 Directors' remuneration

Directors' remuneration comprises the benefits paid to the Board of Governors of the SET and the Board of Directors of subsidiaries including benefits received by the members of sub-committees (excluding salaries, bonus and related benefits payable to management).

2.19 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in revenue or expense, except to the extent that it relates to items recognised in other comprehensive revenues and expenses or directly in fund balance. In this case the tax is also recognised in other comprehensive revenues and expenses or directly in fund balance, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's senior management.

3 New accounting policy

3.1 Employee benefits

The accounting policies for employee benefits used in the preparation of the group's financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2014, except for the recognition of actuarial gains and losses in other comprehensive revenues and expenses in the period in which they arise.

However, the total amount of remeasurements of post-employment benefit obligations which was not recognised since 2008, the first year of this accounting standard adoption, until 2014 was Baht 12.49 Million. The management assessed this impact was not material and did not restate the prior year financial statements.

4 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk and risk from investments and deposits. The Group's financial risk management programme focuses on investment management under investment policies and strategic asset allocation which is approved by the SET's Board of Governors and subsidiaries' Board of Director. The investment committees is strictly established to oversee the investment in compliance with the policies and strategic asset allocation defined. The investment policy aims on maintaining stability of the principal, while receiving the appropriate level of return.

4.1 Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

4.2 Interest rate risk

Interest rate risk arises from fluctuations in market interest rates which may affect the Group's operating results and cash flow. The Group does not have interest rate derivative in order to manage fluctuation of the interest rate.

4.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has appropriate policies in place to ensure that the Group sell products and provide services to customers who have appropriate credit history.

4.4 Liquidity risk

The Group has no significant exposure to liquidity risk as the Group has sufficient cash to support its operations. The Group aims on maintaining flexibility of funding by using internal capital of the Group.

4.5 Risk from investments and deposits

The Group is exposed to market risks as the investor of financial instruments, and credit risk from the issuer of financial instruments. The Group, therefore, has a policy of diversifying its investments and deposits to high credit financial institutions according to the investment policy prescribed by the resolution of the investment committee.

4 Financial risk management (Cont'd)

Financial risk factors (Cont'd)

4.5 Risk from investments and deposits (Cont'd)

The investment policies framework regarding types and proportion of investments are as follows:

1) Investments in debt securities

Type of investment	Proportion of total investment
Government securities, debentures or bonds of state enterprises or entities incorporated by specific laws and guaranteed by the Ministry of Finance	Unlimited (2014: Unlimited)
Fixed deposits or NCDs at commercial banks and promissory notes of finance companies or financial institutions incorporated by specific laws	Not to exceed 15% per institution (2014: Not to exceed 15% per institution)
Debentures or warrants of debentures and bills of exchange	Not to exceed 5% per issuer (2014: Not to exceed 5% per issuer)
Investment units or warrants of investment units in mutual funds invested in debt securities	Not to exceed 10% per mutual fund (2014: Not to exceed 10% per mutual fund)

2) Investments in equity securities

Type of investment	Proportion of total investment
Investment units or warrants of investment units in mutual funds invested in equity securities	Not to exceed 25% per mutual fund (2014: Not to exceed 15% per mutual fund)

3) Investments in property funds

Type of investment	Proportion of total investment
Property funds	Not to exceed 10% of total investment (2014: Not to exceed 10% of total investments)

4) Investments in foreign investment funds

Type of investment	Proportion of total investment
Foreign investment funds	Not to exceed 20% of total investments (2014: Not to exceed 7.5% of total investments)

5) Investments in gold funds

Type of investment	Proportion of total investment
Gold funds	Not to exceed 3% of total investments (2014: Not to exceed 3% of total investments)

Investments in each asset management company should not exceed 40% of total investments (2014: Not exceed 40% of total investments).

5 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6 Capital risk management

The Group's objectives when managing capital are to safeguard the Subsidiaries in the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to increase investor and stakeholder confidence.

In order to maintain or adjust the capital structure, the Subsidiaries in the Group may adjust the amount of dividends paid to shareholders depending on their operating performance.

7 Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

The Group comprises the following 5 main business segments:

- 1) Securities Markets (including securities trading, clearing and settlement, listing, depository and membership fees)
- 2) Derivatives Markets (including trading and clearing of future contracts and membership fees)
- 3) Technology Services (including member services, information services and technology support)
- 4) Registrar Services (including securities registrar)
- 5) Capital market development and others, i.e., expenses for Capital Market Development Fund (CMDf), rental income and other miscellaneous income. CMDf focuses on long-term development of capital market including improving financial and investment capabilities of Thai people and executives, promoting sustainable development of capital market industry, and conducting of capital market research.

The Stock Exchange of Thailand and its Subsidiaries
Notes to the Consolidated and Entity Financial Statements
For the year ended 31 December 2015

7 Segment information (Cont'd)

Financial information presented in the consolidated financial statements as at 31 December 2015 and 2014 and for the years ended 31 December 2015 and 2014 are as follows:

	Consolidated						(Unit : Baht'000)
	Securities Markets	Derivatives Markets	Technology Services	Registrar Services	Capital Market Development and others	Elimination	Total
For the year ended							
31 December 2015							
Revenues from operation	2,440,632	661,735	461,242	983,509	175,955	-	4,723,073
Revenue from inter-segment	678,917	484,329	97,512	471,967	6,124	(1,738,849)	-
Total revenue	3,119,549	1,146,064	558,754	1,455,476	182,079	(1,738,849)	4,723,073
Segment revenues over expenses	1,023,937	245,822	121,038	354,485	(357,099)	-	1,388,183
Investment income, net							492,014
Share of profit of investments in joint venture entity, net of tax							3,249
Share of profit of investments in associates (net of tax)							28,865
Revenues over expenses in operations							1,912,311
Non-operating items:							
Income derived from Securities Investor Protection Fund, net							10,304
Income derived from Derivatives Investor Protection Fund, net							1,086
Contributions to the Stock Exchange of Thailand Foundation							(401,379)
Revenues over expenses before income tax expenses							1,522,322
Income tax expense							(139,966)
Revenues over expenses							1,382,356
As at 31 December 2015							
Segment assets	3,986,745	11,732,069	961,260	911,389	188,248	(296,958)	17,482,753
Other assets	-	-	-	-	21,480,043	(2,826,677)	18,653,366
Total assets	3,986,745	11,732,069	961,260	911,389	21,668,291	(3,123,635)	36,136,119
Segment liabilities	1,142,747	10,665,609	148,728	315,241	771,196	(296,958)	12,746,563
Other liabilities	-	-	-	-	1,896,500	(1,896,500)	-
Total liabilities	1,142,747	10,665,609	148,728	315,241	2,667,696	(2,193,458)	12,746,563

The Stock Exchange of Thailand and its Subsidiaries
Notes to the Consolidated and Entity Financial Statements
For the year ended 31 December 2015

7 Segment information (Cont'd)

Financial information presented in the consolidated financial statements as at 31 December 2015 and 2014 and for the years ended 31 December 2015 and 2014 are as follows: (Cont'd)

	Consolidated						(Unit : Baht'000)
	Securities Markets	Derivatives Markets	Technology Services	Registrar Services	Capital Market Development and others	Elimination	Total
For the year ended 31 December 2014							
Revenues from operation	2,396,069	578,910	237,703	931,862	221,449	-	4,365,993
Revenue from inter-segment	667,042	470,583	42,136	461,762	32,718	(1,674,241)	-
Total revenue	3,063,111	1,049,493	279,839	1,393,624	254,167	(1,674,241)	4,365,993
Segment revenues over expenses	1,177,490	338,284	5,465	298,960	(535,932)	-	1,284,267
Investment income, net							871,129
Share of profit of investments in joint venture entity, net of tax							3,692
Share of profit of investments in associates, net of tax							20,487
Revenues over expenses in operations							2,179,575
Non-operating items:							
Income derived from Securities Investor Protection Fund, net							14,601
Income derived from Derivatives Investor Protection Fund, net							1,197
Contributions to the Stock Exchange of Thailand Foundation							(547,222)
Revenues over expenses before income tax expenses							1,648,151
Income tax expense							(112,674)
Revenues over expenses							1,535,477
As at 31 December 2014							
Segment assets	2,514,576	10,213,353	382,104	337,337	239,014	(298,785)	13,387,599
Other assets	-	-	-	-	22,789,002	(1,724,156)	21,064,846
Total assets	2,514,576	10,213,353	382,104	337,337	23,028,016	(2,022,941)	34,452,445
Segment liabilities	1,200,541	9,798,609	87,971	342,703	1,082,729	(298,785)	12,213,768
Other liabilities	-	-	-	-	1,271,314	(1,271,314)	-
Total liabilities	1,200,541	9,798,609	87,971	342,703	2,354,043	(1,570,099)	12,213,768

Reconciliation of reportable segment assets/liabilities were as follow:

	Consolidated		(Unit : Baht'000)
	2015	2014	
Assets			
Assets for reportable segments	17,482,753	13,387,599	
Unallocated amounts:			
- Cash and investments	16,555,357	17,248,977	
- Investments in related parties	87,600	945,069	
- Accrued interest receivables	967,734	103,555	
- Land and building under construction	1,042,675	2,767,245	
Total assets	36,136,119	34,452,445	
Liabilities			
Total liabilities for reportable segments	12,746,563	12,213,768	
	12,746,563	12,213,768	

8 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the entity, including holding companies, subsidiaries and fellow subsidiaries are related parties of the entity. Associates and individuals owning, directly or indirectly, an interest in the voting power of the entity that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions with related parties are conducted at prices based on market prices or at contractually agreed prices where no market price exists.

The pricing policies for particular types of transactions are explained below:

Transaction	Pricing policy
Service income	Contractually agreed price
Purchase of services	Cost plus margin
Interest income	With reference to the return of bank deposit and debt securities
Interest expense	The interest rate on the loan is based on the floating market interest rate which is referred to the higher interest rate for one-year government bond or one-year fixed deposit on average of 4 banks for corporate credit line of Baht 10 million

Related party transactions for the years ended 31 December 2015 and 2014 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Service income				
Subsidiaries	-	-	1,631,723	1,574,175
Joint venture entity	11,728	13,432	11,698	13,432
Associates	1,838	1,577	-	-
	<u>13,566</u>	<u>15,009</u>	<u>1,643,421</u>	<u>1,587,607</u>
Purchase of services				
Subsidiaries	-	-	3,058	2,124
Joint venture entity	93,043	97,642	93,043	97,642
	<u>93,043</u>	<u>97,642</u>	<u>96,101</u>	<u>99,766</u>
Interest income				
Subsidiaries	-	-	3,750	4,348
Interest expense				
Subsidiaries	-	-	26,546	28,949

8 Related party transactions (Cont'd)

Related party balances as at 31 December 2015 and 2014 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Accounts receivable				
Joint venture entity	191	-	137	-
	<u>191</u>	<u>-</u>	<u>137</u>	<u>-</u>
Accrued income				
Subsidiaries	-	-	144,837	150,979
Joint venture entity	401	438	401	438
Associates	170	139	-	-
	<u>571</u>	<u>577</u>	<u>145,238</u>	<u>151,417</u>
Other current assets				
Subsidiaries	-	-	39	4
Joint venture entity	85	626	85	626
	<u>85</u>	<u>626</u>	<u>124</u>	<u>630</u>
Payables				
Joint venture entity	1,300	9,567	1,300	9,567
	<u>1,300</u>	<u>9,567</u>	<u>1,300</u>	<u>9,567</u>
Accrued expenses				
Subsidiaries	-	-	1,331	172
Joint venture entity	45,285	887	45,285	887
	<u>45,285</u>	<u>887</u>	<u>46,616</u>	<u>1,059</u>
Other current liabilities				
Joint venture entity	14	-	10	-
	<u>14</u>	<u>-</u>	<u>10</u>	<u>-</u>

Short-term borrowings from subsidiaries

	(Unit : Baht'000)			
	Interest rate		SET	
	(% per annum)		2015	2014
	2015	2014		
Short-term borrowings from subsidiaries	0.90 - 2.26	1.99 - 2.77	<u>1,896,500</u>	<u>1,271,314</u>

The Group has a policy of centralising the investments and managed by the SET in order to maximize its efficiency and overall returns. The parent will borrow from its subsidiaries in the form of one-year promissory notes. The interest rate on the loan is based on the floating market interest rate which is referred to the higher interest rate for one-year government bond or one-year fixed deposit on average of 4 banks for corporate credit line of up to Baht 10 million (interest rate may be revised as appropriate).

8 Related party transactions (Cont'd)

Short-term borrowings from subsidiaries (Cont'd)

Movements of short-term borrowings from subsidiaries for the years ended 31 December 2015 and 2014 were as follows:

	(Unit : Baht'000)	
	SET	
	2015	2014
Subsidiaries		
Opening balance	1,271,314	1,246,000
Additions	875,000	395,314
Repayments	(249,814)	(370,000)
Closing balance	1,896,500	1,271,314

Sponsorship for joint venture entity

Under the shareholder agreement between the SET and a company, the SET will be a principal sponsor of a joint venture's program in 2015 of Baht 90 million (2014: Baht 90 million).

Contributions to the Stock Exchange of Thailand Foundation

In 2006, the Board of Governors of the SET approved the establishment of the Stock Exchange of Thailand Foundation (Foundation) and appointed the members of the Board of Governors as directors of the Board of the Foundation. In addition, the Board of Governors of the SET approved the appropriation of one-third of annual revenues over expenses of the SET to the Foundation for its social activities.

The Foundation was registered and incorporated on 9 August 2006 with the objective of conducting activities for the development of society, communities and the environment. The Foundation's activities focus on developing a vigorous Thai society and communities in order to prevent and resolve problems relating to addictive drugs and other problems affecting Thai youth and Thai society. In addition, the activities support projects and programmes relating to education.

For the year ended 31 December 2015, the SET appropriated its annual revenues over expenses of Baht 401.38 million (2014: Baht 547.22 million) to the Foundation.

Directors' remuneration

The directors' remuneration represents director fees and compensation fees for the Group's board of directors and other sub-committees.

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Director's remuneration	24,431	24,582	22,395	22,899
	24,431	24,582	22,395	22,899

9 Cash and cash equivalents

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Cash on hand	319	349	308	338
Saving and current accounts	1,561,014	1,360,552	1,412,776	1,220,391
Fixed deposit with maturities less than 3 month from acquisition date	100,000	-	100,000	-
	<u>1,661,333</u>	<u>1,360,901</u>	<u>1,513,084</u>	<u>1,220,729</u>

For the year ended 31 December 2015, saving accounts carried the interest at rates ranging from 0.10% - 2.07% per annum (2014: from 0.30% - 2.30% per annum).

As at 31 December 2015, fixed deposit accounts at banks represented fixed deposit accounts at call that carried the interest at the rate of 1.50% per annum.

10 Short-term investments, net

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2015	2014	2015	2014
Investments managed by SET					
General investments		35,507	58,704	35,507	58,704
<u>Less</u> Allowance for impairment losses		<u>(10,918)</u>	<u>(11,168)</u>	<u>(10,918)</u>	<u>(11,168)</u>
		24,589	47,536	24,589	47,536
Available-for-sales		1,387,778	404,866	1,387,778	404,866
Held-to-maturity debt securities	15	1,174,079	2,970,513	1,174,079	2,970,513
		<u>2,586,446</u>	<u>3,422,915</u>	<u>2,586,446</u>	<u>3,422,915</u>
Investments managed by private funds					
Held-to-maturity debt securities		701,841	1,150,403	701,841	1,150,403
Trading securities		2,797,737	3,264,518	2,797,737	3,264,518
		<u>3,499,578</u>	<u>4,414,921</u>	<u>3,499,578</u>	<u>4,414,921</u>
		<u>6,086,024</u>	<u>7,837,836</u>	<u>6,086,024</u>	<u>7,837,836</u>

Movements of short-term investments for the years ended 31 December 2015 and 2014 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Opening balance	7,837,836	10,632,814	7,837,836	10,586,614
Purchases	1,051,902	5,058,083	1,051,902	5,058,083
Disposals	(4,638,501)	(6,111,593)	(4,638,501)	(6,065,393)
Classification of investments (Note15)	1,825,657	(1,748,011)	1,825,657	(1,748,011)
Unrealised gain on available for-sale securities	8,880	4,013	8,880	4,013
Reversal allowance for impairment	250	2,530	250	2,530
Closing balance	<u>6,086,024</u>	<u>7,837,836</u>	<u>6,086,024</u>	<u>7,837,836</u>

10 Short-term investments, net (Cont'd)

As at 31 December 2015 and 2014, fair value of investment in specific-purpose funds were as follows:

	(Unit : Baht'000)					
	Consolidated and SET					
	Cost		Fair Value		Impairments	
	2015	2014	2015	2014	2015	2014
Investment in specific-purpose funds	35,507	58,704	26,522	54,422	(10,918)	(11,168)

Investments managed by the SET

As at 31 December 2015, fixed deposit accounts represented fixed deposit accounts at banks which had maturities not over 12 months and carried interest at rates ranging from 3.28% - 3.30% per annum (2014: from 2.10% - 3.30% per annum).

As at 31 December 2015, investments in money market funds represent investments in seven open-ended funds (2014: three open-ended fund). The investment policy emphasises investments in short-term debt securities.

As at 31 December 2015, investments in specific-purpose funds represented investments in two open-ended venture capital funds (2014: three open-ended venture capital funds). The details are as follows:

- 1) In 2005, invested in an investment fund established by the government to strengthen and facilitate the recovery of businesses which suffered from the tsunami. The specific-purpose fund has a policy of investing in securities of businesses involved in the tourism industry that had been affected by the tsunami in the six southern provinces. On 27 February 2015, the fund is at maturity date. The fund made a repayment for the remaining unit of 1,542,863.7414, at the cost of Baht 15.45 Million plus a return to SET on 9 March 2015.
- 2) In 2007, invested in a non-retail fund, which primarily invests directly in energy, alternative and renewable energy firms and businesses that support the government's energy policies. The fund is an open-ended fund and has an automatic redemption from the sixth year (2013) when the fund disposes of its assets, and then no further re-investment.
- 3) In 2008, invested in a non-retail fund which primarily invests directly in businesses and industries which have potential growth the majority of which was long-term investment. The fund has an automatic redemption from the fourth year (2012).

The specific-purpose investments in 2) have a commitment subscription for additional investment until the end of the contract (Note 33).

As at 31 December 2015, Bank of Thailand bonds, foreign bonds and debentures, which had coupon rates ranging from 4.17% - 6.00% per annum (2014: from 3.95% - 5.19% per annum) and market yields ranging from 1.50% - 2.60% per annum (2014: from 2.59% - 2.98% per annum).

Investments managed by private funds

As at 31 December 2015 investments in private funds are managed by two asset management companies (2014: three asset management companies). The investment policy for private funds is subject to the SET's regulations on deposits at financial institutions and investment policies as disclosed in Note 4 - Financial risk management. The Group presented investments managed by private funds as short-term investments.

For the year ended 31 December 2015, the return rates for investments managed by private funds ranged from 3.34% - 3.77% per annum (2014: from 3.82% - 5.13% per annum).

11 Accounts receivable and accrued income, net

		(Unit : Baht'000)			
		Consolidated		SET	
Note		2015	2014	2015	2014
Accounts receivable					
Related parties	8	191	-	137	-
Other parties		83,228	93,337	44,141	47,346
		83,419	93,337	44,278	47,346
<u>Less</u> Allowance for doubtful accounts		(19,041)	(19,014)	(8,910)	(8,883)
		64,378	74,323	35,368	38,463
Accrued income					
Related parties	8	571	577	145,238	151,417
Other parties		284,083	290,620	131,898	116,070
		284,654	291,197	277,136	267,487
		349,032	365,520	312,504	305,950

Aging analysis for accounts receivable is as follows:

		(Unit : Baht'000)			
		Consolidated		SET	
Note		2015	2014	2015	2014
Related parties					
Within credit terms	8	191	-	137	-
		191	-	137	-
Other parties					
Within credit terms		49,787	66,521	25,980	33,246
Overdue:					
Less than 3 months		12,254	7,200	7,393	4,635
3 - 6 months		1,221	495	1,077	475
6 - 12 months		925	474	781	107
Over 12 months		19,041	18,647	8,910	8,883
		83,228	93,337	44,141	47,346
<u>Less</u> Allowance for doubtful accounts		(19,041)	(19,014)	(8,910)	(8,883)
		64,187	74,323	35,231	38,463
		64,378	74,323	35,368	38,463

The normal credit terms granted by the Group range from 15 days to 30 days.

12 Other current assets

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Financial benefits to unitholders	67,150	66,621	-	-
Other receivables from sale of investments	45,033	21,400	45,033	21,400
Thai Stock Market Flood Relief Fund	36,606	36,459	36,606	36,459
Loans to employees	26,382	28,660	26,382	28,660
Prepaid expenses	21,599	16,612	21,599	16,607
Value added tax receivable	16,267	4,490	10,042	-
Withholding tax receivable	15,148	11,728	-	-
Inventory - publication	7,132	3,667	7,132	3,667
Pending Input tax	4,951	32,902	4,951	32,817
Dividend receivable	3,632	-	3,632	-
Deferred tax assets (Note 20)	2,026	2,021	-	-
Cash at bank for clearing collateral	30	6,331	-	-
Others	4,568	2,039	4,355	1,118
	<u>250,524</u>	<u>232,930</u>	<u>159,732</u>	<u>140,728</u>

13 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2015 and 2014, and dividend income for the years then ended were as follows:

	(Unit : Baht'000)							
	Ownership interest %		SET					
			Paid-up capital		Cost method		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014
Subsidiaries								
Thailand Securities Depository Co., Ltd.	100.00	100.00	200,000	200,000	200,000	200,000	320,832	284,200
Thai Trust Fund Management Co., Ltd.	100.00	100.00	100,000	100,000	100,000	100,000	414	680
Thai NVDR Co., Ltd.	100.00	100.00	10,000	10,000	10,000	10,000	2,240	1,960
SETTRADE.COM Co., Ltd.	100.00	100.00	80,000	80,000	74,591	74,591	48,926	66,072
Siam DR Co., Ltd.	100.00	100.00	10,000	10,000	10,000	10,000	218	280
Thailand Futures Exchange Public Company Limited	100.00	100.00	100,000	100,000	100,000	100,000	1,875	34,736
Thailand Clearing House Co., Ltd. ⁽¹⁾	100.00	100.00	600,000	100,000	602,700	102,700	63,894	-
			<u>1,100,000</u>	<u>600,000</u>	<u>1,097,291</u>	<u>597,291</u>	<u>438,399</u>	<u>387,928</u>

The business place of all subsidiaries is in Thailand and the nature of business of each subsidiaries has already disclosed in Note 1.

⁽¹⁾ The total number of authorized ordinary shares is 60,000,000 shares (2014: 10,000,000 shares) with a par value of Baht 10 per share (2014: Baht 10 per share). All issued shares are fully paid.

On 16 December 2015, the shareholders at the Extraordinary Meeting no.01/2015 passed a resolution to approve increase the authorized share capital from 10,000,000 ordinary shares with a par value of Baht 10 per share to 60,000,000 ordinary shares with a par value of Baht 10 per share. On 22 December 2015, Subsidiary received subscription of 50,000,000 additional shares at Baht 10 par value which were priced at Baht 10 per share. The paid-up share capital totaling Baht 500,000,000. Subsidiary registered the increased share capital with the Ministry of Commerce on 23 December 2015.

14 Investments in associates and joint venture entity, net

Investments accounted for using equity method

The amounts recognised in the statement of financial position are as follows:

	(Unit: Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Associates	901,458	882,042	775,620	775,620
Joint venture entity	66,276	63,027	25,000	25,000
At 31 December	967,734	945,069	800,620	800,620

The amounts recognised in the statement of comprehensive revenues and expenses are as follows:

	(Unit: Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Associates	28,865	20,487	-	-
Joint venture entity	3,249	3,692	-	-
At 31 December	32,114	24,179	-	-

14 Investments in associates and joint venture entity, net (Cont'd)

14 (a) Investment in associates

Set out below are the associates of the group as at 31 December 2015 and 2014, which, in the opinion of the directors, are not material to the group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

(Unit : Baht'000)										
	Ownership interest		Consolidated							
	%		Paid-up capital		Cost method, net		Equity method		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Associates										
Clearing Fund (“CLF”)	12.80	14.03	1,475,965	1,307,134	100,000	100,000	193,265	188,975	-	-
TSFC Securities Public Company Limited (“TSFC”)	40.65	40.65	1,549,126	1,549,126	675,620	675,620	708,193	693,067	-	-
					775,620	775,620	901,458	882,042	-	-

(Unit : Baht'000)												
Ownership interest %		SET										
		Paid-up capital		Cost method		Impairment		At cost, net		Dividend income		
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
Associates												
Clearing Fund	12.80	14.03	1,475,965	1,307,134	100,000	100,000	-	-	100,000	100,000	-	-
TSFC Securities Public Company Limited	40.65	40.65	1,549,126	1,549,126	<u>679,015</u>	<u>679,015</u>	<u>(3,395)</u>	<u>(3,395)</u>	<u>675,620</u>	<u>675,620</u>	<u>9,446</u>	<u>26,325</u>
					<u>779,015</u>	<u>779,015</u>	<u>(3,395)</u>	<u>(3,395)</u>	<u>775,620</u>	<u>775,620</u>	<u>9,446</u>	<u>26,325</u>

The business place of all associates is in Thailand and the nature of business of each associates has already disclosed in Note 1.

14 Investments in associates and joint venture entity, net (Cont'd)

14 (a) Investment in associates (Cont'd)

The Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	(Unit: Baht'000)					
	2015			2014		
	CLF	TSFC	Total	CLF	TSFC	Total
Aggregate carrying amount of individually immaterial associates	193,265	708,193	901,458	188,975	693,067	882,042
Aggregate amounts of the reporting entity's share of:						
Revenues over expenses from continuing activities, net of tax	4,290	24,575	28,865	5,480	15,007	20,487
Other comprehensive revenues and expenses, net of tax	-	(3)	(3)	-	(69)	(69)
Total comprehensive revenues and expenses, net of tax	4,290	24,572	28,862	5,480	14,938	20,418

The Group has no contingent liabilities relating to associates.

14 Investments in associates and joint venture entity, net (Cont'd)

14 (b) Investment in joint venture entity

The joint venture listed below has share capital consisting solely of preferred shares, which is held directly by the group.

		(Unit : Baht'000)							
		Consolidated							
Ownership interest		Paid-up capital		Equity method		Dividend income			
%									
2015	2014	2015	2014	2015	2014	2015	2014		
Joint venture entity									
Family Know-how Co., Ltd.		50.00	50.00	50,000	50,000	66,276	63,027	-	-

		(Unit : Baht'000)							
		SET							
Ownership interest %		Paid-up capital		Cost method		Dividend income			
		2015	2014	2015	2014	2015	2014		
Joint venture entity									
Family Know-how Co., Ltd.		50.00	50.00	50,000	50,000	25,000	25,000	-	849

The business place of all joint venture entity is in Thailand and the nature of business of each joint venture entity has already disclosed in note 1.

14 Investments in associates and joint venture entity, net (Cont'd)

14 (b) Investment in joint venture entity (Cont'd)

The Group also has interests in a immaterial joint venture entity that is accounted for using the equity method.

	(Unit : Baht'000)	
	2015	2014
Aggregate carrying amount of individually immaterial joint venture entity	66,276	63,027
Aggregate amounts of the reporting entity's share of:		
Revenues over expenses from continuing activities, net of tax	3,249	3,692
Other comprehensive revenues and expenses, net of tax	-	-
Total comprehensive revenue and expenses, net of tax	3,249	3,692

The Group has no contingent liabilities related to joint venture entity.

15 Long-term investments, net

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Available-for-sale investments	6,515,242	4,778,889	6,515,242	4,778,889
Held-to-maturity debt securities	2,735,527	3,899,117	2,735,527	3,899,117
General investments	12,336	12,336	12,336	12,336
	9,263,105	8,690,342	9,263,105	8,690,342

As at 31 December 2015, fixed deposit accounts represented fixed deposits at banks which had maturities over one year and carried interest at rates 4.00% per annum. (2014: from 3.28% - 4.00% per annum).

As at 31 December 2015, cash at banks by M.O.U. used as security for housing loans provided to employees of the Group by a bank under a Memorandum of Understanding is Baht 540.59 million (2014: Baht 527.98 million).

As at 31 December 2015, investments in general mutual funds represented investments in twenty open-ended funds, which have a policy of emphasising investment in equity securities of listed companies (2014: 15 funds) and no gold fund (2014: 7 funds).

As at 31 December 2015, investments in property funds represented twelve closed-end non-redeemable mutual funds (2014: 10 funds). These funds were established for acquiring, leasing and transferring properties and/or their leasehold rights and providing for income-generating properties. All these property funds are listed and traded on the Stock Exchange of Thailand.

As at 31 December 2015, investments in foreign investment funds represented investments in twenty open-ended funds (2014: 17 funds). The Feeder Fund policy is to emphasise investment in foreign fund securities.

As at 31 December 2015, government bonds, Bank of Thailand bonds, Foreign bond and debentures which had maturities over one year to six years, coupon rates ranging from 3.80% - 6.34% per annum (2014: from 3.00% - 6.34% per annum) and market yields ranging from 1.47% - 4.22% per annum (2014: from 2.09% - 5.01% per annum).

15 Long-term investments, net (Cont'd)

Movements of long-term investments for the years ended 31 December 2015 and 2014 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Opening balance	8,690,342	5,126,076	8,690,342	5,123,301
Purchases	4,806,774	3,251,558	4,806,774	3,251,558
Disposals	(2,183,508)	(1,477,578)	(2,183,508)	(1,474,578)
Classification of investments (Note 10)	(1,825,657)	1,748,011	(1,825,657)	1,748,011
Adjustment	3	105	3	-
Unrealised gain (loss) on available-for-sale securities	(224,849)	42,170	(224,849)	42,050
Closing balance	<u>9,263,105</u>	<u>8,690,342</u>	<u>9,263,105</u>	<u>8,690,342</u>

As at 31 December 2015 and 2014, held-to-maturity debt securities which were classified by maturity were as follows:

(Unit : Baht'000)

	Consolidated			
	Due			
	Within 1 year	1 to 5 years	Over 5 years	Total
31 December 2015				
Held-to-maturity debt securities				
Government bonds	-	1,019	-	1,019
Bank of Thailand bonds	100,000	-	-	100,000
Foreign bond	20,000	-	-	20,000
Debentures	145,227	1,043,002	263,379	1,451,608
Deposits at banks	908,852	887,540	540,587	2,336,979
	<u>1,174,079</u>	<u>1,931,561</u>	<u>803,966</u>	<u>3,909,606</u>
31 December 2014				
Held-to-maturity debt securities				
Government bonds	-	1,032	-	1,032
Bank of Thailand bonds	-	100,000	-	100,000
Foreign bond	-	20,000	-	20,000
Debentures	155,380	1,000,271	453,438	1,609,089
Deposits at banks	2,815,133	2,324,376	-	5,139,509
	<u>2,970,513</u>	<u>3,445,679</u>	<u>453,438</u>	<u>6,869,630</u>

15 Long-term investments, net (Cont'd)

As at 31 December 2015 and 2014, held-to-maturity debt securities which were classified by maturity were as follows: (Cont'd)

(Unit : Baht'000)

	SET			
	Due			
	Within 1 year	1 to 5 years	Over 5 years	Total
31 December 2015				
Held-to-maturity debt securities				
Government bonds	-	1,019	-	1,019
Bank of Thailand bonds	100,000	-	-	100,000
Foreign bonds	20,000	-	-	20,000
Debentures	145,227	1,043,002	263,379	1,451,608
Deposits at banks	908,852	887,540	540,587	2,336,979
	<u>1,174,079</u>	<u>1,931,561</u>	<u>803,966</u>	<u>3,909,606</u>
31 December 2014				
Held-to-maturity debt securities				
Government bonds	-	1,032	-	1,032
Bank of Thailand bonds	-	100,000	-	100,000
Foreign bonds	-	20,000	-	20,000
Debentures	155,380	1,000,271	453,438	1,609,089
Deposits at banks	2,815,133	2,324,376	-	5,139,509
	<u>2,970,513</u>	<u>3,445,679</u>	<u>453,438</u>	<u>6,869,630</u>

As at 31 December 2015 and 2014, the fair value of held-to-maturity debt securities were as follows:

	(Unit : Baht'000)			
	Consolidated			
	Amortised cost, net		Fair value	
	2015	2014	2015	2014
Government bonds	1,019	1,032	1,048	1,067
Bank of Thailand bonds	100,000	100,000	102,995	105,743
Foreign bonds	20,000	20,000	20,155	20,302
Debentures	1,451,608	1,609,089	1,530,463	1,669,884
Deposits at banks	2,336,979	5,139,509	2,282,936	5,139,509
	3,909,606	6,869,630	3,937,597	6,936,505
Less Classification of investments to short-term investment (Note 10)	(1,174,079)	(2,970,513)	(1,178,672)	(2,971,483)
	2,735,527	3,899,117	2,758,925	3,965,022

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15 Long-term investments, net (Cont'd)

As at 31 December 2015 and 2014, the fair value of held-to-maturity debt securities were as follows: (Cont'd)

	(Unit : Baht'000)			
	SET			
	Amortised cost, net		Fair value	
	2015	2014	2015	2014
Government bonds	1,019	1,032	1,048	1,067
Bank of Thailand bonds	100,000	100,000	102,995	105,743
Foreign bonds	20,000	20,000	20,155	20,302
Debentures	1,451,608	1,609,089	1,530,463	1,669,884
Deposits at banks	2,336,979	5,139,509	2,282,936	5,139,509
	3,909,606	6,869,630	3,937,597	6,936,505
<u>Less</u> Classification of investments to short-term investment (Note 10)	(1,174,079)	(2,970,513)	(1,178,672)	(2,971,483)
	<u>2,735,527</u>	<u>3,899,117</u>	<u>2,758,925</u>	<u>3,965,022</u>

16 Property, plant and equipment, net

	(Unit : Baht'000)					
	Consolidated					
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process/ building under construction	Total
As at 1 January 2014						
Cost	1,014,022	1,749,281	929,398	3,238	371,045	4,066,984
<u>Less</u> Accumulated depreciation	-	(645,841)	(746,058)	(1,305)	-	(1,393,204)
Net book amount	<u>1,014,022</u>	<u>1,103,440</u>	<u>183,340</u>	<u>1,933</u>	<u>371,045</u>	<u>2,673,780</u>
For the year ended 31 December 2014						
Opening net book amount	1,014,022	1,103,440	183,340	1,933	371,045	2,673,780
Additions	-	1,543	93,864	1,367	1,384,194	1,480,968
Disposals/write-off	-	(19)	(249)	(1,367)	-	(1,635)
Depreciation charge	-	(69,246)	(57,758)	(153)	-	(127,157)
Adjustments	75	13	21	-	(26)	83
Transfer	-	2,054	11	-	(2,065)	-
Closing net book amount	<u>1,014,097</u>	<u>1,037,785</u>	<u>219,229</u>	<u>1,780</u>	<u>1,753,148</u>	<u>4,026,039</u>
As at 31 December 2014						
Cost	1,014,097	1,752,819	1,016,176	3,238	1,753,148	5,539,478
<u>Less</u> Accumulated depreciation	-	(715,034)	(796,947)	(1,458)	-	(1,513,439)
Net book amount	<u>1,014,097</u>	<u>1,037,785</u>	<u>219,229</u>	<u>1,780</u>	<u>1,753,148</u>	<u>4,026,039</u>
For the year ended 31 December 2015						
Opening net book amount	1,014,097	1,037,785	219,229	1,780	1,753,148	4,026,039
Additions	-	4,062	225,103	-	1,619,175	1,848,340
Disposals/write-off	-	-	(3,933)	-	-	(3,933)
Depreciation charge	-	(109,162)	(81,025)	(155)	-	(190,342)
Transfer	-	3,110,578	233,167	-	(3,343,745)	-
Closing net book amount	<u>1,014,097</u>	<u>4,043,263</u>	<u>592,541</u>	<u>1,625</u>	<u>28,578</u>	<u>5,680,104</u>
As at 31 December 2015						
Cost	1,014,097	4,865,513	1,453,206	3,238	28,578	7,364,632
<u>Less</u> Accumulated depreciation	-	(822,250)	(860,665)	(1,613)	-	(1,684,528)
Net book amount	<u>1,014,097</u>	<u>4,043,263</u>	<u>592,541</u>	<u>1,625</u>	<u>28,578</u>	<u>5,680,104</u>

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16 Property, plant and equipment, net (Cont'd)

	SET					(Unit : Baht'000)
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process/ building under construction	Total
As at 1 January 2014						
Cost	1,014,022	1,747,564	848,632	3,238	371,045	3,984,501
<u>Less</u> Accumulated depreciation	-	(644,564)	(666,297)	(1,305)	-	(1,312,166)
Net book amount	<u>1,014,022</u>	<u>1,103,000</u>	<u>182,335</u>	<u>1,933</u>	<u>371,045</u>	<u>2,672,335</u>
For the year ended 31 December 2014						
Opening net book amount	1,014,022	1,103,000	182,335	1,933	371,045	2,672,335
Additions	-	1,543	93,864	1,367	1,384,194	1,480,968
Disposals/write-off	-	(19)	(249)	(1,367)	-	(1,635)
Depreciation charge	-	(69,204)	(56,980)	(153)	-	(126,337)
Adjustments	75	13	21	-	(26)	83
Transfer	-	2,054	11	-	(2,065)	-
Closing net book amount	<u>1,014,097</u>	<u>1,037,387</u>	<u>219,002</u>	<u>1,780</u>	<u>1,753,148</u>	<u>4,025,414</u>
As at 31 December 2014						
Cost	1,014,097	1,751,102	935,438	3,238	1,753,148	5,457,023
<u>Less</u> Accumulated depreciation	-	(713,715)	(716,436)	(1,458)	-	(1,431,609)
Net book amount	<u>1,014,097</u>	<u>1,037,387</u>	<u>219,002</u>	<u>1,780</u>	<u>1,753,148</u>	<u>4,025,414</u>
For the year ended 31 December 2015						
Opening net book amount	1,014,097	1,037,387	219,002	1,780	1,753,148	4,025,414
Additions	-	4,062	223,736	-	1,619,175	1,846,973
Disposals/write-off	-	-	(3,933)	-	-	(3,933)
Depreciation charge	-	(109,121)	(80,863)	(155)	-	(190,139)
Transfer	-	3,110,578	233,167	-	(3,343,745)	-
Closing net book amount	<u>1,014,097</u>	<u>4,042,906</u>	<u>591,109</u>	<u>1,625</u>	<u>28,578</u>	<u>5,678,315</u>
As at 31 December 2015						
Cost	1,014,097	4,863,796	1,373,707	3,238	28,578	7,283,416
<u>Less</u> Accumulated depreciation	-	(820,890)	(782,598)	(1,613)	-	(1,605,101)
Net book amount	<u>1,014,097</u>	<u>4,042,906</u>	<u>591,109</u>	<u>1,625</u>	<u>28,578</u>	<u>5,678,315</u>

17 Intangible assets, net

	(Unit : Baht'000)			
	Consolidated			
	Computer software	Patent	Work in process	Total
As at 1 January 2014				
Cost	1,000,634	861	156,691	1,158,186
<u>Less</u> Accumulated amortisation	(723,349)	(6)	-	(723,355)
Net book amount	277,285	855	156,691	434,831
For the year ended 31 December 2014				
Opening net book amount	277,285	855	156,691	434,831
Additions	56,800	1,923	80,783	139,506
Amortisation charge	(80,958)	(125)	-	(81,083)
Transfer	197,810	-	(197,810)	-
Closing net book amount	450,937	2,653	39,664	493,254
As at 31 December 2014				
Cost	1,255,244	2,784	39,664	1,297,692
<u>Less</u> Accumulated amortisation	(804,307)	(131)	-	(804,438)
Net book amount	450,937	2,653	39,664	493,254
For the year ended 31 December 2015				
Opening net book amount	450,937	2,653	39,664	493,254
Additions	54,201	35	62,957	117,193
Amortisation charge	(104,042)	(384)	-	(104,426)
Transfer	100,206	-	(100,206)	-
Closing net book amount	501,302	2,304	2,415	506,021
As at 31 December 2015				
Cost	1,409,652	2,819	2,415	1,414,886
<u>Less</u> Accumulated amortisation	(908,350)	(515)	-	(908,865)
Net book amount	501,302	2,304	2,415	506,021

17 Intangible assets, net (Cont'd)

	(Unit : Baht'000)			
	SET			
	Computer software	Patent	Work in process	Total
As at 1 January 2014				
Cost	919,686	-	156,691	1,076,377
<u>Less</u> Accumulated amortisation	(644,462)	-	-	(644,462)
Net book amount	275,224	-	156,691	431,915
For the year ended 31 December 2014				
Opening net book amount	275,224	-	156,691	431,915
Additions	56,241	1,923	80,783	138,947
Amortisation charge	(79,551)	(2)	-	(79,553)
Transfer	197,810	-	(197,810)	-
Closing net book amount	449,724	1,921	39,664	491,309
As at 31 December 2014				
Cost	1,173,737	1,923	39,664	1,215,324
<u>Less</u> Accumulated amortisation	(724,013)	(2)	-	(724,015)
Net book amount	449,724	1,921	39,664	491,309
For the year ended 31 December 2015				
Opening net book amount	449,724	1,921	39,664	491,309
Additions	54,201	35	62,957	117,193
Amortisation charge	(103,795)	(261)	-	(104,056)
Transfer	100,206	-	(100,206)	-
Closing net book amount	500,336	1,695	2,415	504,446
As at 31 December 2015				
Cost	1,328,144	1,958	2,415	1,332,517
<u>Less</u> Accumulated amortisation	(827,808)	(263)	-	(828,071)
Net book amount	500,336	1,695	2,415	504,446

18 Assets for margin deposits and benefits

Thailand Clearing House Co., Ltd. (TCH) is the clearing house for derivatives market. Members of TCH who have outstanding positions are obliged to place the required margin deposits as a guarantee according to the rate or amount called by TCH. TCH may invest the margin proceeds according to specified terms and conditions. The benefits, after deducting management fees, shall be distributed to members at the announced rates and procedures.

As at 31 December 2015 and 2014, the details of investments for which margin deposits were placed by members amounting to Baht 8,829.62 million and Baht 8,053.63 million, respectively are as follows:

	(Unit : Baht'000)	
	Consolidated	
	2015	2014
Savings and fixed deposit accounts	8,291,930	7,565,619
Savings account in foreign currency	492,008	429,951
Accrued benefits	45,677	58,060
	8,829,615	8,053,630

As at 31 December 2015, savings account in foreign currency of USD 13.70 million was translated into Thai Baht using the average transfer buying rate announced by the Bank of Thailand at the end of the accounting period (2014: USD 13.10 million).

The Group presented margin deposits placed by members separately in the account "Assets for margin deposits and benefits" in current assets in the statement of financial position and presented liabilities in the same amount in the account "Margin deposits and benefits payable" in current liabilities in the statement of financial position.

19 Assets for clearing system protection and benefits

The assets for clearing system protection are established to secure the clearing system of Thailand Clearing House Co., Ltd. (TCH) against any damage caused by defaults by members or other incidents.

Assets for clearing system protection comprise the following:

19.1 Securities Deposit

Members of TCH are required to place a Securities Deposit according to the announcement made by TCH (the current Securities Deposit for members, who are allowed to clear all types of derivatives, is not less than Baht 5 million and for only one type of derivatives is not less than Baht 4 million). TCH will invest the proceeds from the Securities Deposit and return any benefits derived from the Securities Deposit, after deducting management fees, to members in accordance with the announced rates and procedures. Assets held as Securities Deposit will be returned to members after their membership is terminated.

19 Assets for clearing system protection and benefits (Cont'd)

19.2 Clearing fund contributions comprising contributions from:

(1) The SET amounting to Baht 100 million

(2) Members of TCH:

- Initial contributions according to the announced rates (currently the initial contribution members, who are allowed to clear all types of derivatives, is not less than Baht 5 million and for only one type of derivatives is not less than Baht 1 million).
- Monthly contributions at a value of not less than Baht 1,000.

Securities Deposit and benefits are the right of the payers according to the proportion of their contributions. When the membership is terminated, the member's Securities Deposit and benefits on contributions will be returned.

As at 31 December 2015 and 2014, assets for clearing system protection and benefits consist of:

(Unit : Baht'000)						
	Securities Deposit and benefits		Consolidated Clearing fund and benefits		Total	
	2015	2014	2015	2014	2015	2014
Investments managed by TCH	625,551	629,138	-	-	625,551	629,138
Investments managed by private fund						
Savings accounts	872	1,600	925	2,604	1,797	4,204
Fixed deposit accounts	71,002	82,002	238,036	250,028	309,038	332,030
Trading Securities	138,917	127,756	508,184	410,267	647,101	538,023
	836,342	840,496	747,145	662,899	1,583,487	1,503,395
Accrued interest receivable	4,211	3,295	6,125	6,965	10,336	10,260
Other assets	86	94	5,694	5,186	5,780	5,280
	840,639	843,885	758,964	675,050	1,599,603	1,518,935

			(Unit : Baht'000)	
			SET	
Clearing fund and benefits			2015	2014
Contributions			100,000	100,000
Benefits			38,242	34,843
			138,242	134,843

19 Assets for clearing system protection and benefits (Cont'd)

Investment managed by TCH

For the year ended 31 December 2015, savings accounts carried interest at rates ranging from 1.00% - 2.07% per annum (2014: at 2.07% per annum).

For the year ended 31 December 2015, fixed deposit accounts carried interest at the rates ranging from 1.00% - 1.25% per annum (2014: from 1.50% - 1.60% per annum).

Investments managed by private fund

Investments in private fund are managed by 1 asset management company (2014: 1 company).

The investments policy of private fund is reference to the TCH's regulations in relation to deposits with financial institution and company's investment policies. For the year ended 31 December 2015, the investment in private fund have return rates ranging from 2.82% - 3.95% per annum (2014: from 3.17% - 4.95% per annum).

As at 31 December 2015 and 2014, assets for clearing system protection and benefits payable consist of:

	(Unit : Baht'000)	
	Consolidated	
	2015	2014
Securities Deposit and benefits		
Contributions	835,000	835,000
Benefits (semi-annually distribute to members)	5,688	8,934
	<u>840,688</u>	<u>843,934</u>
Clearing fund and benefits		
Contributions	536,907	470,712
Benefits	83,766	69,446
	<u>620,673</u>	<u>540,158</u>
	<u>1,461,361</u>	<u>1,384,092</u>

20 Deferred income taxes

	(Unit : Baht'000)	
	Consolidated	
	2015	2014
Deferred tax assets	2,026	2,021
Deferred tax liabilities	(1,191)	(920)
Deferred income taxes, net	<u>835</u>	<u>1,101</u>

20 Deferred income taxes (Cont'd)

The gross movement of the deferred income tax account is as follows:

Deferred tax asset

	(Unit : Baht'000)	
	Consolidated	
	2015	2014
Opening balance	2,021	1,953
Charged/(credited) to revenues over expenses	5	68
Tax charged/(credited) directly to fund balance	-	-
Closing balance	2,026	2,021

Deferred tax liabilities:

	(Unit : Baht'000)	
	Consolidated	
	2015	2014
Opening balance	920	237
(Charged)/credited to revenues over expenses	271	647
Tax (charged)/credited directly to fund balance	-	36
Closing balance	1,191	920

21 Accounts payable and accrued expenses

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2015	2014	2015	2014
Accounts payable					
Joint venture entity	8	1,300	9,567	1,300	9,567
Other parties		103,002	402,594	102,547	400,514
		104,302	412,161	103,847	410,081
Accrued expenses					
Subsidiaries	8	-	-	1,331	172
Joint venture entity	8	45,285	887	45,285	887
		45,285	887	46,616	1,059
Other parties		1,076,645	1,187,586	1,059,459	1,169,497
		1,121,930	1,188,473	1,106,075	1,170,556
		1,226,232	1,600,634	1,209,922	1,580,637

22 Other current liabilities

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Other retention payables	70,959	95,237	70,955	95,234
Dividend payable from registrar services to shareholders	67,150	66,621	-	-
Financial benefits payable	62,112	57,814	-	-
Income tax payable	46,063	33,525	-	-
Withholding tax payable	44,363	25,193	20,299	11,436
Thai Stock Market Flood Relief Fund	36,606	36,459	36,606	36,459
Provision for employee benefits from accumulated annual leave	21,878	24,051	21,878	24,051
Ngoen-Thong-khong-Mee-Kha Fund	11,568	11,552	11,568	11,552
Refund for unalotted TNVDR	1,239	23,215	-	-
Deferred tax liabilities (Note 20)	1,191	920	-	-
Clearing collateral payable	30	6,331	-	-
Other payable from purchase of investment	-	21,307	-	21,307
Others	18,892	34,085	14,656	30,135
	<u>382,051</u>	<u>436,310</u>	<u>175,962</u>	<u>230,174</u>

23 Provision for employee benefits

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Statement of financial position				
Retirement benefits	195,392	170,879	195,392	170,879
Other benefits	31,852	32,161	31,852	32,161
	<u>227,244</u>	<u>203,040</u>	<u>227,244</u>	<u>203,040</u>
Expenses charge included in the statement of revenues and expenses				
Retirement benefits	19,820	21,935	19,820	21,935
Other benefits	3,276	6,449	3,276	6,449
	<u>23,096</u>	<u>28,384</u>	<u>23,096</u>	<u>28,384</u>

The amounts recognised in the statement of financial position are determined as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Present value of obligations				
Retirement benefits	195,392	179,130	195,392	179,130
Other benefits	31,852	32,161	31,852	32,161
	<u>227,244</u>	<u>211,291</u>	<u>227,244</u>	<u>211,291</u>
Unrecognised actuarial loss				
Retirement benefits	-	(8,251)	-	(8,251)
Liabilities in the statement of financial position	<u>227,244</u>	<u>203,040</u>	<u>227,244</u>	<u>203,040</u>

23 Provision for employee benefits (Cont'd)

The movement in the defined benefit obligation over the year is as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
At 1 January	203,040	180,872	203,040	180,872
Current service costs	15,945	20,176	15,945	20,176
Interest costs	7,151	7,641	7,151	7,641
Remeasurements:				
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-
(Gain)/loss from change in demographic assumptions	(31,004)	(819)	(31,004)	(819)
(Gain)/loss from change in financial assumptions	15,810	342	15,810	342
Experience (gain)/loss	27,688	1,044	27,688	1,044
Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-
Adjustment	-	4,373	-	4,373
	238,630	213,629	238,630	213,629
<u>Less</u> Benefits paid	<u>(11,386)</u>	<u>(10,589)</u>	<u>(11,386)</u>	<u>(10,589)</u>
At 31 December	227,244	203,040	227,244	203,040
<u>Less</u> Current portion	<u>(4,785)</u>	<u>(5,561)</u>	<u>(4,785)</u>	<u>(5,561)</u>
Total non-current portion	222,459	197,479	222,459	197,479

For the years ended 31 December 2015 and 2014 the amounts recognised in the statement of comprehensive revenues and expense are as follows:

	(Unit : Baht'000)			
	Consolidated		Consolidated	
	2015	2014	2015	2014
Current service costs	15,945	20,176	15,945	20,176
Interest costs	7,151	7,641	7,151	7,641
Actuarial gain	-	567	-	567
	23,096	28,384	23,096	28,384

For the year ended 31 December 2014, the Group recognised actuarial gain amounted for Baht 0.57 million in the statement of comprehensive revenue and expense. The Group did not retrospective adjust the prior year financial statements since the amount was not material to the financial statement. The change in the accounting policy has disclosed in Note 3.

For the years ended 31 December 2015 and 2014, the principal actuarial assumptions used were as follows:

	2015	2014
Discount rate as of 31 December	3.60%	3.60%
Salary increase rate - permanent employees	5.00% - 10.00%	5.00% - 10.00%
Salary increase rate - contract employees	4.50%	4.50%
Average turnover rate	0.00% - 13.00%	0.00% - 13.00%
Pre-retirement mortality rate	3.00%	3.00%
Retirement age	60 years old	60 years old

23 Provision for employee benefits (Cont'd)

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 11%	Increase by 13%
Salary growth rate	1%	Increase by 15%	Decrease by 13%
Turnover growth rate	20%	Decrease by 8%	Increase by 9%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 22 years (2014: 22 years).

Expected maturity analysis of undiscounted retirement and other benefits:

	(Unit : Baht'000)			
	Consolidated and SET			
	Within a year	1-5 years	Over 5 years	Total
At 31 December 2015				
Retirement benefits	4,490	20,708	689,028	714,226
Other benefits	3,651	12,673	54,245	70,569
Total	8,141	33,381	743,273	784,795

	(Unit : Baht'000)			
	Consolidated and SET			
	Within a year	1-5 years	Over 5 years	Total
At 31 December 2014				
Retirement benefits	12,870	10,848	703,378	727,096
Other benefits	4,058	11,837	58,731	74,626
Total	16,928	22,685	762,109	801,722

24 Fund balances

The statement of change in the fund for the years ended 31 December 2015 and 2014 presented as part of the consolidated and entity's financial statements as follows;

(Unit : Baht'000)

	Consolidated							
	Fund balances							
	Securities Clearing Reserve Fund	Derivatives Clearing Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	Derivatives Investor Protection Fund	General Fund
								Total
Opening balance at 1 January 2014	2,500,000	300,000	100,000	7,769	102,511	414,364	50,993	16,870,921
Appropriation of general fund	-	-	-	(7,769)	-	-	-	7,769
Revenues over expenses	-	-	-	-	2,325	14,601	1,197	1,517,354
Closing balance at 31 December 2014	2,500,000	300,000	100,000	-	104,836	428,965	52,190	18,396,044
Opening balance at 1 January 2015	2,500,000	300,000	100,000	-	104,836	428,965	52,190	18,396,044
Other comprehensive revenues and expenses, net of tax	-	-	-	-	-	-	-	(13,702)
Revenues over expenses	-	-	-	-	2,956	10,304	1,086	1,368,010
Closing balance at 31 December 2015	2,500,000	300,000	100,000	-	107,792	439,269	53,276	19,750,352

24 Fund balances (Cont'd)

The statement of change in the fund for the years ended 31 December 2015 and 2014 presented as part of the consolidated and entity's financial statements as follows; (Cont'd)

(Unit : Baht'000)

	SET						
	Fund balances						
	Securities Clearing Reserve Fund	Derivatives Clearing Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	General Fund
							Total
Opening balance at 1 January 2014	2,500,000	300,000	100,000	7,769	102,511	414,364	16,017,952
Appropriation of general fund	-	-	-	(7,769)	-	-	7,769
Revenues over expenses	-	-	-	-	2,325	14,601	1,466,294
Closing balance at 31 December 2014	2,500,000	300,000	100,000	-	104,836	428,965	17,492,015
Opening balance at 1 January 2015	2,500,000	300,000	100,000	-	104,836	428,965	17,492,015
Other comprehensive revenues and expenses, net of tax	-	-	-	-	-	-	(13,702)
Revenues over expenses	-	-	-	-	2,956	10,304	1,227,898
Closing balance at 31 December 2015	2,500,000	300,000	100,000	-	107,792	439,269	18,706,211

24 Fund balances (Cont'd)

Details of fund balances are as follows:

Securities Clearing Reserve Fund

In 1997 and 2013, the Board of Governors of the SET approved an appropriation of general funds of Baht 2,000 million and Baht 500 million, respectively, totalling Baht 2,500 million to the Securities Clearing Reserve Fund, which is operated by a subsidiary of the SET, in order to resolve liquidity risk in the event of default on clearing and settlement from securities trading on SET.

Derivatives Clearing Reserve Fund

In 2004, the Board of Governors of the SET approved an appropriation of general funds of Baht 300 million to the Derivatives Clearing Reserve Fund in order to assure contingent losses from the clearing system of futures contracts at Thailand Clearing House Co., Ltd.

Indemnity Fund

In 1993 and 2002, the Board of Governors of the SET approved appropriations of general funds totalling Baht 100 million to the Indemnity Fund in order to assist and assure the Board of Governors of the SET and those appointed assignees on matters requiring consideration and decisions which may affect or cause damages to other parties.

SET Building Construction Fund

In 1992, the Board of Governors of the SET approved an appropriation of general funds totalling Baht 580 million for the construction of SET buildings. Construction of the office buildings was completed in 1998. The remaining fund balance of Baht 246.30 million is reserved for further construction of a parking building.

In 2008, the Board of Governors of the SET approved the construction of the car park building from the above mentioned remaining fund balance. In 2014, the Board Governors of the SET approved the transfer of the remaining fund balance to general fund.

Staff Welfare Fund

In 1997 and 2004, the Board of Governors of the SET approved appropriations of general funds was Baht 75 million to the Staff Welfare Fund. All benefits earned from this fund are retained in the fund.

Securities Investor Protection Fund

In 2004, the Board of Governors of the SET approved an appropriation of Baht 300 million from broker seat admission fees as an initial fund for the establishment of the Securities Investor Protection Fund (SIPF).

The SIPF was formally established under SIPF regulations on 1 October 2004. The objective of the fund is to protect and build investor confidence in trading listed securities on the SET through the members of the SIPF. As at 31 December 2015, 35 SIPF members from securities companies (2014: 33 SIPF members).

The assets of SIPF consist of:

- 1) the initial fund from the SET of Baht 300 million;
- 2) the cumulative membership entrance fees and monthly fees collected from the members; and
- 3) the future benefits generated from investments in the SIPF.

24 Fund balances (Cont'd)

Securities Investor Protection Fund (Cont'd)

SIPF will protect the investors' assets which are in the custody of the securities brokers who are members of the SIPF. In the event that the members of the SIPF fail to return the assets to investors, each investor shall be compensated by the SIPF for the related damages at the actual cost, but not exceeding Baht 1 million per SIPF member, in the following cases:

- 1) if any SIPF member is in receivership under the Bankruptcy Act or
- 2) if there are disputes concerning the purchase or sale of securities listed on the SET between investors and any SIPF member, and the arbitrator's award is that the SIPF member shall return the assets to investors, but the SIPF member violates the award.

The protection will not include any losses from securities trading regardless of who makes the investment decision.

The SIPF's financial statements included as part of the consolidated and entity's financial statements are as follows:

	(Unit : Baht'000)	
	Consolidated and SET	
	2015	2014
Assets		
Current assets		
Cash deposits and short-term investments	414,267	415,169
Accrued interest receivable	5,838	7,290
Other current asset	341	291
Total current assets	420,446	422,750
Non-current assets		
Long-term investments	296,575	275,582
Total non-current assets	296,575	275,582
Total assets	717,021	698,332
Liabilities and fund balances		
Current liabilities		
Other current liabilities	10	5
Total current liabilities	10	5
Non-current liabilities		
Contributions from members	209,627	205,132
Benefits on contributions from members	65,449	59,758
Total non-current liabilities	275,076	264,890
Total liabilities	275,086	264,895
Fund balances		
Initial fund	300,000	300,000
Benefits on contributions from SET	141,935	133,437
Total fund balances	441,935	433,437
Total liabilities and fund balances	717,021	698,332

24 Fund balances (Cont'd)

Securities Investor Protection Fund (Cont'd)

The SIPF's statement of comprehensive revenues and expenses for the years ended 31 December 2015 and 2014 are presented in Note 25 to the financial statements "Results of fund operations".

Derivatives Investor Protection Fund

In 2012 the board of directors of Thailand Futures Exchange Public Company Limited (TFEX), a subsidiary, has a resolution to establish the Derivatives Investor Protection Fund (DIPF) and approved an appropriation of Baht 50 million as an initial fund.

The DIPF was established on 15 November 2012. The objective of the DIPF is to provide protection for derivatives contracts investors in accordance with the rules prescribed by TFEX. Investors need to be protected must become customers of DIPF members and is a Thai natural person, a juristic person incorporated in Thailand who is not an institutional investor under the Derivatives Act B.E. 2546 (2003). As at 31 December 2015, there were 42 DIPF members from security companies (2014: 42 DIPF members).

Assets of the DIPF consist of the Company's initial capital, admission fees and contributions collected from members of the DIPF, and yields or benefits obtained from the proceeds and assets of the DIPF after the deduction of expenses for the operation of the DIPF. At the time of its establishment, the DIPF will have assets worth no less than Baht 100 million, which consists of initial capital of Baht 50 million from the Company and admission fees and contributions from DIPF members in the rest to make the total of Baht 100 million. The Company may collect additional sums of money as it deems necessary and appropriate.

DIPF will protect the investors' assets which are in the custody of the securities brokers who are members of the DIPF. In the event that the members of the DIPF fail to return the assets to investors, each investor shall be compensated by the DIPF for the related damages at the actual cost, but not exceeding Baht 1 million per DIPF member, in the following cases:

- 1) if any DIPF member is in receivership under the Bankruptcy Act or
- 2) if there are disputes concerning the purchase or sale of securities listed on the SET between investors and any DIPF member, and the arbitrator's award is that the DIPF member shall return the assets to investors, but the DIPF member violates the award.

The protection will not include any losses from derivatives trading regardless of who makes the investment decision.

24 Fund balances (Cont'd)

Derivatives Investor Protection Fund (Cont'd)

The DIPF's financial statement included as part of the consolidated and entity's financial statements are as follows:

	(Unit : Baht'000)	
	Consolidated	
	2015	2014
Assets		
Current assets		
Cash deposits and short-term investments	71,947	64,008
Contributions from members	562	545
Accrued interest receivable	747	720
Total current assets	73,256	65,273
Liabilities and fund balances		
Current liabilities		
Income tax payable	333	-
Other current liabilities	-	336
Total current liabilities	333	336
Non-current liabilities		
Contributions from members	19,000	12,421
Benefits on contributions from members	647	326
Total non-current liabilities	19,647	12,747
Total liabilities	19,980	13,083
Fund balances		
Initial fund	50,000	50,000
Benefits on contributions from TFEX	3,276	2,190
Total fund balances	53,276	52,190
Total liabilities and fund balances	73,256	65,273

The DIPF's statement of comprehensive revenues and expenses for the years ended 31 December 2015 and 2014 are presented in Note 25 to the financial statements "Results of fund operations".

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25 Results of fund operations

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows:

	(Unit : Baht'000)				
	Consolidated				
	Staff Welfare Fund	Securities Investor Protection Fund (SETs portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund	Total
For the year ended 31 December 2015					
Revenues					
Operating revenues	-	-	-	4,518,405	4,518,405
Investment income, net	2,956	10,409	1,466	489,058	503,889
Other income	-	-	-	236,779	236,779
Total revenues	2,956	10,409	1,466	5,244,242	5,259,073
Expenses					
Operating expenses	-	105	108	3,334,887	3,335,100
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	401,379	401,379
Income tax expense	-	-	272	139,966	140,238
Total expenses	-	105	380	3,876,232	3,876,717
Revenues over expenses	2,956	10,304	1,086	1,368,010	1,382,356
Other comprehensive revenues and expense					
Items that will be reclassified subsequently to revenues and expenses					
Share of profit in investments in associates	-	-	-	(4)	(4)
Change in value of available-for-sale Investments managed by SET	-	-	-	(215,966)	(215,966)
Change in value of available-for-sale investments from Securities Investor Protection Fund	-	(1,806)	-	-	(1,806)
Income tax relating to items that will be reclassified subsequently to revenue and expense	-	-	-	1	1
Total items that will be reclassified subsequently to revenues and expenses	-	(1,806)	-	(215,969)	(217,775)
Items that will not be reclassified subsequently to revenues and expenses					
Remeasurements of post-employment benefits obligations	-	-	-	(13,702)	(13,702)
Total items that will not be reclassified to revenues and expenses	-	-	-	(13,702)	(13,702)
Total comprehensive revenues and expenses	2,956	8,498	1,086	1,138,339	1,150,879

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25 Results of fund operations (Cont'd)

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows: (Cont'd)

	(Unit : Baht'000)				
	Consolidated				
	Staff Welfare Fund	Securities Investor Protection Fund (SETs portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund	Total
For the year ended 31 December 2014					
Revenues					
Operating revenues	-	-	-	4,200,820	4,200,820
Investment income, net	2,325	14,739	1,633	868,804	887,501
Other income	-	-	-	189,353	189,353
Total revenues	2,325	14,739	1,633	5,258,977	5,277,674
Expenses					
Operating expenses	-	138	137	3,081,727	3,082,002
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	547,222	547,222
Income tax expense	-	-	299	112,674	112,973
Total expenses	-	138	436	3,741,623	3,742,197
Revenues over expenses	2,325	14,601	1,197	1,517,354	1,535,477
Other comprehensive revenues and expense					
Items that will be reclassified subsequently to revenues and expenses					
Share of profit in investments in associates	-	-	-	(86)	(86)
Change in value of available-for-sale investments managed by SET	-	-	-	46,299	46,299
Change in value of available-for-sale investments from Securities Investor Protection Fund	-	4,102	-	-	4,102
Income tax relating to items that will be reclassified subsequently to revenues and expenses	-	-	-	(30)	(30)
Total items that will be reclassified subsequently to revenues and expenses	-	4,102	-	46,183	50,285
Total comprehensive revenues and expenses	2,325	18,703	1,197	1,563,537	1,585,762

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25 Results of fund operations (Cont'd)

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows: (Cont'd)

	(Unit : Baht'000)			
	SET			Total
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund
For the year ended 31 December 2015				
Revenues				
Operating revenues	-	-	-	1,955,884
Investment income, net	2,956	10,409	-	902,455
Other income	-	-	-	1,798,252
Total revenues	2,956	10,409	-	4,656,591
Expenses				
Operating expenses	-	105	-	3,027,314
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	401,379
Total expenses	-	105	-	3,428,693
Revenues over expenses	2,956	10,304	-	1,227,898
Other comprehensive revenues and expense				
Items that will be reclassified subsequently to revenue and expenses				
Change in value of available-for-sale investments managed by SET	-	-	-	(215,966)
Change in value of available-for-sale investments from Securities Investor Protection Fund	-	(1,806)	-	-
Total items that will be reclassified subsequently to revenues and expenses	-	(1,806)	-	(215,966)
Items that will not be reclassified subsequently to revenues and expense				
Remeasurements of post-employment benefits obligations	-	-	-	(13,702)
Total items that will not be reclassified subsequently to revenues and expenses	-	-	-	(13,702)
Total comprehensive revenues and expenses	2,956	8,498	-	998,230

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25 Results of fund operations (Cont'd)

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows: (Cont'd)

	(Unit : Baht'000)			
	SET			
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund
				Total
For the year ended 31 December 2014				
Revenues				
Operating revenues	-	-	-	1,861,296
Investment income, net	2,325	14,739	-	1,244,708
Other income	-	-	-	1,699,123
Total revenues	2,325	14,739	-	4,805,127
Expenses				
Operating expenses	-	138	-	2,791,611
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	547,222
Total expenses	-	138	-	3,338,833
Revenues over expenses	2,325	14,601	-	1,466,294
Other comprehensive revenues and expenses				
Items that will be reclassified subsequently to revenues and expenses				
Change in value of available-for-sale investments managed by SET	-	-	-	46,063
Change in value of available-for-sale investments from Securities Investor Protection Fund	-	4,102	-	-
Total items that will be reclassified subsequently to revenues and expenses	-	4,102	-	46,063
Total comprehensive revenues and expenses	2,325	18,703	-	1,512,357

26 Operating revenues

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Trading fees	1,371,622	1,344,659	1,076,551	1,113,957
Stock registrar fees	982,425	867,879	-	-
Listing fees	494,133	434,838	494,133	434,838
Member services fees	466,375	420,246	-	-
Clearing fees	419,887	398,697	-	-
Information service fees	306,962	237,703	250,130	199,026
Depository fees	282,827	260,277	-	-
Customisation and IT support fees	105,709	90,675	105,709	90,675
Membership fees	87,381	81,863	29,361	22,800
Fund registrar fees	1,084	63,983	-	-
	4,518,405	4,200,820	1,955,884	1,861,296

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27 Investment income, net

		(Unit : Baht'000)			
		Consolidated		SET	
	Notes	2015	2014	2015	2014
Interest income		503,598	696,656	294,966	416,705
<u>Less</u> Interest expense					
Short-term borrowings from subsidiaries	8	-	-	(26,546)	(28,949)
Assets for clearing system protection - members' portion		(203,413)	(273,212)	-	-
Interest income, net		300,185	423,444	268,420	387,756
Dividend income from					
Mutual funds		111,335	439,119	111,335	438,910
Subsidiaries	13	-	-	438,399	387,928
Jointly venture entity	14	-	-	-	849
Associates	14	-	-	9,446	26,325
Private fund		18	129	10	74
Other entities		2,535	2,701	2,535	2,702
Realised gain (loss) from investments		67,265	(17,561)	65,943	(17,579)
Unrealised gain from investments		10,426	20,767	9,073	17,538
Reversals of impairment loss		250	2,530	250	2,530
		<u>492,014</u>	<u>871,129</u>	<u>905,411</u>	<u>1,247,033</u>

28 Other income

		(Unit : Baht'000)			
		Consolidated		SET	
		2015	2014	2015	2014
Educational activities income		53,757	44,370	53,757	44,370
Revenues from marketing event		34,214	34,728	34,214	34,728
Revenues from fees and management funds		22,099	25,355	-	-
Transfer rights of membership		18,500	-	18,000	-
Service income		13,566	15,009	1,643,421	1,587,607
Rental & utilities revenue		11,471	11,189	11,471	11,189
Fines		11,139	14,546	7,859	10,291
Other income		39,919	19,977	29,530	10,938
		<u>204,665</u>	<u>165,174</u>	<u>1,798,252</u>	<u>1,699,123</u>

29 Employee benefit expenses

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Management				
Salaries and other benefits	162,066	157,390	162,066	157,390
Contributions to provident fund	10,003	10,745	10,003	10,745
	<u>172,069</u>	<u>168,135</u>	<u>172,069</u>	<u>168,135</u>
Other employees				
Salaries and other benefits	1,138,378	1,031,423	1,138,478	1,031,522
Contributions to provident fund	61,476	60,360	61,476	60,360
	<u>1,199,854</u>	<u>1,091,783</u>	<u>1,199,954</u>	<u>1,091,882</u>
	<u>1,371,923</u>	<u>1,259,918</u>	<u>1,372,023</u>	<u>1,260,017</u>

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 3.00% to 10.00% of their basic salaries and by the Group at the rate of 10.00% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

30 SEC fees

The Securities and Exchange Act B.E. 2535 requires the SET to pay to the SEC at a rate as determined by the Board of the SEC.

In 2013, the Board of the SEC has approved to charge SET for the year 2014 - 2016 (for the period of 3 years) as follows:

1. Charge at the rate of 0.002% of trading value of the year, and
2. Charge on total equity of listing companies who have never issued securities for sale under the approval of the SEC, at the same rate that the SEC charge from listed companies who issued securities and submit report to the SEC according to clause 56 of the SEC Act.

However, if there is an event changes or problems of implementation during the period, terms and conditions may be revised.

The Board of the SEC also required Thailand Future Exchange Public Company Limited (subsidiary) to pay the fee of derivatives trading exchange. The rate for year 2014 - 2016 is Baht 2 million per annum.

31 Other expenses

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Fees and compensation expenses	58,752	62,628	55,231	55,158
Travelling and vehicle expenses	34,532	40,095	34,531	40,095
Contributions to capital market institutions	28,120	34,557	28,120	34,557
Institution membership fees	4,228	4,780	3,483	3,936
Meeting expenses	3,721	4,415	3,704	4,410
Entertainment expenses	2,491	1,854	2,491	1,854
Other expenses	11,518	13,802	8,982	9,702
	<u>143,362</u>	<u>162,131</u>	<u>136,542</u>	<u>149,712</u>

32 Income tax expense

	(Unit : Baht'000)	
	Consolidated	
	2015	2014
Current income tax		
Current income tax	139,700	112,095
Total Current income tax	139,700	112,095
Deferred income tax		
Origination and reversal of temporary differences	266	579
Total deferred income tax	266	579
Total income tax expense	139,966	112,674

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Thailand basic tax rate as follows:

	(Unit : Baht'000)	
	Consolidated	
	2015	2014
Revenues over expenses before income tax expense	1,522,322	1,648,151
Tax calculated at a tax rate of 20% (2014: 20%)	304,464	329,630
Income not subject to tax	(439)	(70)
Expenses not deductible for tax purposes	1,242	1,812
Eliminated transaction between related party, net of income tax	83,148	78,185
Revenues over expenses - Stock Exchange of Thailand, net of income tax	(248,232)	(296,644)
Revenues over expenses - Derivatives Investor Protection Fund (TFEX's portion), net of income tax	(217)	(239)
Current income tax	139,966	112,674

The weight average applicable tax rate was 9.19% (2014: 6.84%).

33 Commitments with non-related parties

	(Unit : Baht'000)			
	Consolidated		SET	
	2015	2014	2015	2014
Capital commitments				
Buildings and other constructions	-	1,623,083	-	1,623,083
Computer and software	20,680	75,384	20,680	75,384
	<u>20,680</u>	<u>1,698,467</u>	<u>20,680</u>	<u>1,698,467</u>
Non-cancellable operating lease commitments				
Within one year	11,207	13,289	11,207	13,289
After one year but within five years	19,516	27,801	19,516	27,801
	<u>30,723</u>	<u>41,090</u>	<u>30,723</u>	<u>41,090</u>
Land lease commitments				
Within one year	13,525	13,525	13,525	13,525
After one year but within five years	47,037	44,883	47,037	44,883
Over 5 years	143,315	158,994	143,315	158,994
	<u>203,877</u>	<u>217,402</u>	<u>203,877</u>	<u>217,402</u>
Derivative trading and clearing system maintenance commitments				
Within one year	55,106	59,111	55,106	59,111
After one year but within five years	133,172	171,968	133,172	171,968
	<u>188,278</u>	<u>231,079</u>	<u>188,278</u>	<u>231,079</u>

Moreover, the SET has an obligation to capital commitment subscription in specific-purpose funds (Note 10). Fund invested directly in energy, alternative a renewable energy firms and businesses that support the government's energy policies. The Asset Management Company will make additional investments from the SET amounting to Baht 18.4 million unless the payment was made in the full amount of capital commitment subscription of due in terms of the 10 years (3 August 2017).

34 Fair value

34.1 Fair value estimation

The fair value of the financial instruments are defined into the following three different levels by valuation method as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2015.

	(Unit : Baht'000)			
	Consolidated			
	2015			
	Level 1	Level 2	Level 3	Total
Assets				
Current assets				
Short-term investments				
- Trading securities	-	2,797,737	-	2,797,737
- Available-for-sales	-	1,387,778	-	1,387,778
- Held-to-maturity debt securities	-	701,841	-	701,841
Total current assets	-	4,887,356	-	4,887,356
Non-current assets				
Long-term investments				
- Available-for-sales	1,005,978	5,509,264	-	6,515,242
Assets for clearing system protection and benefits				
- Trading securities	-	647,101	-	647,101
Securities Investor Protection Fund				
- Available-for-sales	36,057	77,439	-	113,496
Total non-current assets	1,042,035	6,233,804	-	7,275,839
Total assets	1,042,035	11,121,160	-	12,163,195

34 Fair value (Cont'd)

34.1 Fair value estimation (Cont'd)

The following table presents SET's financial assets and liabilities that are measured at fair value at 31 December 2015.

(Unit : Baht'000)				
SET				
2015				
	Level 1	Level 2	Level 3	Total
Assets				
Current assets				
Short-term investments				
- Trading securities	-	2,797,737	-	2,797,737
- Available-for-sales	-	1,387,778	-	1,387,778
- Held-to-maturity debt securities	-	701,841	-	701,841
Total current assets	-	4,887,356	-	4,887,356
Non-current assets				
Long-term investments				
- Available-for-sales	1,005,978	5,509,264	-	6,515,242
Securities Investor Protection Fund				
- Available-for-sales	36,057	77,439	-	113,496
Total non-current assets	1,042,035	5,586,703	-	6,628,738
Total assets	1,042,035	10,474,059	-	11,516,094

34 Fair value (Cont'd)

34.1 Fair value estimation (Cont'd)

The following table presents the Group's financial assets and liabilities that are not measured at fair value at 31 December 2015.

	(Unit : Baht'000)			
	Consolidated			
	2015			
	Level 1	Level 2	Level 3	Total
Assets				
Current assets				
Short-term investments				
- Held-to-maturity debt securities	-	1,178,672	-	1,178,672
- General investments	-	26,522	-	26,522
Total current assets	-	1,205,194	-	1,205,194
Non-current assets				
Long-term investments				
- Held-to-maturity debt securities	-	2,758,925	-	2,758,925
- General investments	-	-	12,336	12,336
Securities Investor Protection Fund				
- Held-to-maturity debt securities	-	196,621	-	196,621
Derivatives Investor Protection Fund				
- Held-to-maturity debt securities	-	5,732	-	5,732
Total non-current assets	-	2,961,278	12,336	2,973,614
Total assets	-	4,166,472	12,336	4,178,808

34 Fair value (Cont'd)

34.1 Fair value estimation (Cont'd)

The following table presents SET's financial assets and liabilities that are not measured at fair value at 31 December 2015.

(Unit : Baht'000)				
SET				
2015				
	Level 1	Level 2	Level 3	Total
Assets				
Current assets				
Short-term investments				
- Held-to-maturity debt securities	-	1,178,672	-	1,178,672
- General investments	-	26,522	-	26,522
Total current assets	-	1,205,194	-	1,205,194
Non-current assets				
Long-term investments				
- Held-to-maturity debt securities	-	2,758,925	-	2,758,925
- General investments	-	-	12,336	12,336
Securities Investor Protection Fund				
- Held-to-maturity debt securities	-	196,621	-	196,621
Total non-current assets	-	2,955,546	12,336	2,967,882
Total assets	-	4,160,740	12,336	4,173,076

There was no transfers between Levels 1 and 2 during the year.

Other financial instruments not carried at fair value are typically short-term in nature and reprice to current market rate frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and cash equivalents, cash at banks for financial benefits payable, assets for margin deposits and benefits, accounts receivable, accrued interest receivable, deposits and other benefits in assets for clearing system protection, deposits and other benefits in Securities Investor Protection Fund, deposits and other benefits in Derivatives Investor Protection Fund, accounts payable and short-term borrowings from subsidiaries.

The management believes that the fair value of the Group's financial assets and liabilities does not materially differ from their carrying value.

34 Fair value (Cont'd)

34.1 Fair value estimation (Cont'd)

Valuation techniques used to derive Level 1 fair values

Available-for-sale securities presented as long-term investments and Securities Investor Protection Fund. The fair value of investments is measured by using last bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand.

Valuation techniques used to derive Level 2 fair values

Available-for-sale securities presented as short-term investments, long-term investments, Securities Investor Protection Fund and general investments, which are short-term. General investments comprise of investments in specific-purpose funds in two open-ended venture capital funds. The fair value of investments is measured by using last bid price at the close of business on the statement of financial position date by reference to the Association of Investment Management Companies.

Held-to-maturity debt securities and trading securities include fixed deposit accounts, bonds and debentures. The fair value of fixed deposit accounts, which is in Level 2, is measured by using discounted cash flows based on each contract with an average yield of 4 commercial banks. The fair value of bonds and debentures are measured by using the bid yield of debt securities published in the Thai Bond Market Association at the end of the date in the statement of financial position.

Valuation techniques used to derive Level 3 fair values

As the Group has a general investment in limited companies which the Group's shareholding was insignificant, the Group has no controlling and decision making power in the invested companies resulting in difficulty in obtaining the information to support the fair value valuation in practice. These investments are not in the stock exchange and do not have any market prices which can be used as fair value. The Group also do not have any plan for selling these investments, so the Group did not assess the fair value for the general investment. Therefore, the Group cannot disclose the fair value of the general investment in the notes to the financial statements and have stated these investments at cost net allowance for impairment (if any).

35 Litigation, contingent assets and contingent liabilities

35.1 Litigation

35.1.1 SET

In 2012, the Group sued the insurance group for the fire damages of the Stock Exchange of Thailand building in 2010. The Group is seeking compensation for alleged damages relating to dismiss an insurance contract amounting to Baht 123 million combined with interest rate at 7.50% per annum. The case was dismissed by civil court and appeal court on 30 September 2013 and 14 November 2014, respectively. The Group filed petitions to the supreme court. As at 31 December 2015, the case was under the consideration of the supreme court. The outcome of the case has not presently been finalised. Therefore, the Group has not recorded any potential income in the financial statements for the years ended 31 December 2015 and 2014.

35 Litigation, contingent assets and contingent liabilities (Cont'd)

35.2 Contingent liabilities (Cont'd)

35.2.1 SET

As at 31 December 2015, the SET has letters of guarantee issued by banks totalling Baht 6.99 million (2014: Baht 4.61 million) in respect of electricity usage in the ordinary course of business from which management anticipates that no material liabilities will arise.

The SET has issued a letter of comfort to a bank in respect of an overdraft credit line of Baht 2,400 million (2014: Baht 2,400 million) granted to Thailand Clearing House Co., Ltd. (TCH), a subsidiary, for clearing and settlement of equity instruments and derivatives. Under the terms of the letter of comfort, the SET is required to maintain its shareholding at 99.99% of the registered share capital in TCH to the end of the credit period. In addition, the SET is required to support TCH's operations to ensure its ability to repay the debt to the bank. As at 31 December 2015, TCH had not drawn down the overdraft credit line.

35.2.2 Subsidiaries

- 35.2.2.1 During 2009, the subsidiary was claimed in a civil lawsuit, as joint defendant together with other individuals and juristic persons/entities, for alleged wrongful acts.

On 22 December 2015 the supreme court ordered the subsidiary and related parties to jointly return shares to the plaintiff; or if such return is not possible, to pay to the plaintiff the share price at the amount equal to the trading price of such shares on the date of payment, plus dividend which the plaintiff should have received, totaling Baht 318.68 million. As at 31 December 2015, the subsidiary and related parties were processing according to the judgment of the supreme court.

The Group has insurance coverage for professional liability (Financial Institutional Professional Indemnity Insurance), which covers liability for this case. The insurance company has confirmed responsibility for the restitution amount of Baht 106.23 million. The subsidiary did not record any potential loss in the financial statement for the year ended 31 December 2015 and 2014.

- 35.2.2.2 On 6 January 2014, the subsidiary was claimed in a civil lawsuit as joint defendant, together with other individuals and juristic persons/entities, related to the performance of certain investment consultants from member which caused damage to the plaintiff. The plaintiff was seeking that alleged damages be jointly responsible for compensation totalling Baht 0.96 million.

As at 31 December 2015, the case was under the consideration of the supreme court. The outcome of the case had not been finalised. Therefore, the subsidiary did not record any potential loss in the financial statements for the year ended 31 December 2015 and 2014.

- 35.2.2.3 On 30 April 2015, the subsidiary and its employee were claimed in a civil lawsuit as joint defendants, together with juristic entities, related to performance of duties of the subsidiary's employee which caused damage to the plaintiff. The plaintiff was seeking that alleged damages be jointly responsible for compensation totalling Baht 1.48 million.

As at 31 December 2015, the case was under the consideration of the civil court. The outcome of the case had not been finalised. Therefore, the subsidiary did not record any potential loss in the financial statements for the year ended 31 December 2015.