



TFEX

Financial Report 2016



Independent auditor's report

To the Shareholders of Thailand Futures Exchange Public Company Limited

My opinion

In my opinion, the financial statements of Thailand Futures Exchange Public Company Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying financial statements of the Company, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income and statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of management for the financial statements

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

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

Management is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers ABAS Ltd.



Unakorn Phruithithada

Certified Public Accountant (Thailand) No. 3257

Bangkok

15 February 2017

THAILAND FUTURES EXCHANGE PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2016

Thailand Futures Exchange Public Company Limited
Statement of Financial Position
As at 31 December 2016

	Notes	2016 Baht'000	2015 Baht'000
Assets			
Current assets			
Cash and cash equivalents	7	24,954	14,404
Accounts receivable and accrued income, net	6, 8	40,798	34,130
Accrued interest receivable		243	182
Short-term loans to the parent	6	645,000	175,000
Other current assets	9	<u>11,931</u>	<u>12,361</u>
Total current assets		<u>722,926</u>	<u>236,077</u>
Non-current assets			
Equipment, net	10	-	-
Intangible assets, net	11	1	4
Derivatives Investor Protection Fund	20	82,875	73,256
Deferred tax assets	12	<u>20</u>	<u>-</u>
Total non-current assets		<u>82,896</u>	<u>73,260</u>
Total assets		<u><u>805,822</u></u>	<u><u>309,337</u></u>

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

Thailand Futures Exchange Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2016

	<u>Notes</u>	<u>2016 Baht'000</u>	<u>2015 Baht'000</u>
Liabilities and equity			
Current liabilities			
Accounts payable and accrued expenses	6	43,367	31,165
Unearned revenues	6	13,689	25,392
Income tax payable		5,766	5,389
Other current liabilities		<u>1,217</u>	<u>143</u>
Total current liabilities		<u>64,039</u>	<u>62,089</u>
Non-current liabilities			
Contributions and benefits to Derivatives Investor Protection Fund	20	<u>28,835</u>	<u>19,980</u>
Total non-current liabilities		<u>28,835</u>	<u>19,980</u>
Total liabilities		<u>92,874</u>	<u>82,069</u>

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Thailand Futures Exchange Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2016

	<u>Notes</u>	<u>2016 Baht'000</u>	<u>2015 Baht'000</u>
Equity			
Share capital			
Authorised share capital			
50,000,000 ordinary shares, at par value of Baht 10 each			
(2015 : 10,000,000 ordinary shares, at par value of Baht 10 each)			
	14	<u>500,000</u>	<u>100,000</u>
Issued and fully paid-up share capital			
50,000,000 ordinary shares, fully paid-up of Baht 10 each			
(2015 : 10,000,000 ordinary shares, fully paid-up of Baht 10 each)			
		500,000	100,000
Derivatives Investor Protector Fund	20	54,040	53,276
Retained earnings			
Appropriated - Legal reserve			
	15	14,300	10,000
Unappropriated			
		<u>144,608</u>	<u>63,992</u>
Total equity		<u>712,948</u>	<u>227,268</u>
Total liabilities and equity		<u>805,822</u>	<u>309,337</u>

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

Thailand Futures Exchange Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2016

	Notes	2016 Baht'000	2015 Baht'000
Revenues			
Trading fees		368,228	295,071
Membership fees		41,500	34,000
Information service fees	6	32,382	31,190
Interest income	6	5,282	3,203
Other income	6	22,280	3,044
Total revenues		469,672	366,508
Expenses			
Administrative expenses	6, 16	351,586	284,443
Employee benefit expenses	13	9,861	-
Directors' remuneration		2,080	2,075
Total expenses		363,527	286,518
Revenues over expenses		106,145	79,990
Non-operating items			
Income derived from Derivatives Investor Protection Fund, net	20	1,095	1,407
Profit before income tax expense		107,240	81,397
Income tax expense	17	(21,229)	(15,998)
Profit for the year		86,011	65,399
Other comprehensive income		-	-
Total comprehensive income for the year		86,011	65,399
Earnings per share			
Basic earnings per share (Baht)	18	4.06	6.54

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

Thailand Futures Exchange Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

		Derivatives		Retained earnings	
	Issued and	Investor	Legal reserve	- unappropriated	Total
	fully paid-up	Protection			
	share capital	Fund			
Notes	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance at 1 January 2015	100,000	52,190	10,000	1,875	164,065
Total comprehensive income for the year	-	1,407	-	63,992	65,399
Contributions and benefits of Member's portion					
- Derivatives Investor Protection Fund	-	(321)	-	-	(321)
Dividend paid	19	-	-	(1,875)	(1,875)
Closing balance at 31 December 2015	<u>100,000</u>	<u>53,276</u>	<u>10,000</u>	<u>63,992</u>	<u>227,268</u>
Opening balance at 1 January 2016	100,000	53,276	10,000	63,992	227,268
Issued share capital	14	400,000	-	-	400,000
Total comprehensive income for the year	-	1,095	-	84,916	86,011
Contributions and benefits of Member's portion					
- Derivatives Investor Protection Fund	-	(331)	-	-	(331)
Legal reserve	15	-	4,300	(4,300)	-
Closing balance at 31 December 2016	<u>500,000</u>	<u>54,040</u>	<u>14,300</u>	<u>144,608</u>	<u>712,948</u>

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

Thailand Futures Exchange Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2016

	Notes	2016 Baht'000	2015 Baht'000
Cash flows from operating activities			
Profit before income tax expense		107,240	81,397
Adjustments for:			
Amortisation	11	3	23
Interest income		(5,282)	(3,203)
Income derived from			
Derivatives Investor Protection Fund, net	20	(1,095)	(1,407)
Operating profit before changes in operating assets and liabilities		100,866	76,810
(Increase) decrease in operating assets			
Accounts receivable and accrued income		(6,668)	8,592
Other current assets		430	1,177
Derivatives Investor Protection Fund		(10,024)	(8,343)
Increase (decrease) in operating liabilities			
Accounts payable and accrued expenses		12,202	3,727
Unearned revenues		(11,703)	(12,593)
Other current liabilities		1,074	(13)
Contributions and benefits to			
Derivatives Investor Protection Fund		8,855	6,897
Cash flows generated from operations		95,032	76,254
<u>Less</u> Income tax paid		(20,872)	(10,609)
Net cash generated from operating activities		74,160	65,645

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

Statement of Cash Flows (Cont'd)
For the year ended 31 December 2016

	Notes	2016 Baht'000	2015 Baht'000
Cash flows from investing activities			
Interest received		5,221	3,278
Addition of short-term loans to the parent	6	(490,000)	(75,000)
Repayment of short-term loans to the parent	6	20,000	-
Benefits received from Derivatives Investor Protection Fund		1,169	1,446
Net cash used in investing activities		<u>(463,610)</u>	<u>(70,276)</u>
Cash flows from financing activities			
Increase in share capital	14	400,000	-
Dividends paid	19	-	(1,875)
Net cash generated from (used in) financing activities		<u>400,000</u>	<u>(1,875)</u>
Net increase (decrease) in cash and cash equivalents		10,550	(6,506)
Opening balance		<u>14,404</u>	<u>20,910</u>
Closing balance	7	<u><u>24,954</u></u>	<u><u>14,404</u></u>

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

