

**BAMCO SUPPLY AND SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 2015**

## AUDITOR'S REPORT

To the Shareholders of Bamco Supply and Services Limited

I have audited the accompanying financial statements of Bamco Supply and Services Limited which comprise the statement of financial position as at 31 March 2015, and the statements of income and changes in shareholders' equity 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 applicable to non-publicly accountable entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit.

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

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

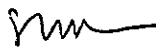
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bamco Supply and Services Limited as at 31 March 2015, and its results of operations for the year then ended in accordance with Thai Financial Reporting Standards applicable to non-publicly accountable entities.

*Other matter*

The financial statements of Bamco Supply and Services Limited for the year ended 31 March 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 12 May 2014.



Somkiat Hiranbantaporn  
Certified Public Accountant (Thailand) No. 4754  
NYC Audit Co., Ltd.

Bangkok  
29 April 2015

Bamco Supply and Services Limited

Statement of financial position

As at 31 March 2015

		(Unit: Baht)	
	<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,421,877	2,958,492
Trade and other receivables	6	9,010,120	10,035,869
Inventories	7	<u>7,922,236</u>	<u>2,942,698</u>
<b>Total current assets</b>		<u>19,354,233</u>	<u>15,937,059</u>
<b>Non-current assets</b>			
Equipment	8	100,930	157,747
Intangible assets	9	3,868	6,457
Other non-current assets		<u>-</u>	<u>2,500</u>
<b>Total non-current assets</b>		<u>104,798</u>	<u>166,704</u>
<b>Total assets</b>		<u>19,459,031</u>	<u>16,103,763</u>

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

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**Banco Supply and Services Limited**  
**Statement of financial position (continued)**  
**As at 31 March 2015**

(Unit: Baht)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Bank overdrafts and short-term loans from financial institutions	10	-	-
Trade and other payables	11	1,345,041	3,311,837
Other current liabilities		773,645	103,400
<b>Total current liabilities</b>		<u>2,118,686</u>	<u>3,415,237</u>
<b>Total liabilities</b>		<u>2,118,686</u>	<u>3,415,237</u>
<b>Shareholders' equity</b>			
Share capital			
Registered			
10,000 ordinary shares of Baht 100 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid up			
10,000 ordinary shares of Baht 100 each		1,000,000	1,000,000
Retained earnings			
Unappropriated		<u>16,340,345</u>	<u>11,688,526</u>
<b>Total shareholders' equity</b>		<u>17,340,345</u>	<u>12,688,526</u>
<b>Total liabilities and shareholders' equity</b>		<u>19,459,031</u>	<u>16,103,763</u>

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

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Directors



**Bamco Supply and Services Limited**

**Income statement**

**For the year ended 31 March 2015**

		(Unit: Baht)	
	<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>			
Sales	3	47,908,259	41,181,002
Other income		<u>4,831</u>	<u>5,504</u>
<b>Total revenues</b>		<u>47,913,090</u>	<u>41,186,506</u>
<b>Expenses</b>			
Cost of sales	3	32,939,300	29,711,548
Selling expenses		2,775,904	4,016,478
Administrative expenses		<u>6,221,552</u>	<u>3,143,605</u>
<b>Total expenses</b>		<u>41,936,756</u>	<u>36,871,631</u>
<b>Profit (loss) before finance cost and income tax expenses</b>		5,976,334	4,314,875
Finance cost		<u>(74,515)</u>	<u>(31,327)</u>
<b>Profit (loss) before income tax expenses</b>		5,901,819	4,283,548
Income tax expenses	12	<u>(1,250,000)</u>	<u>(854,998)</u>
<b>Net profit for the year</b>		<u>4,651,819</u>	<u>3,428,550</u>

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

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**Bamco Supply and Services Limited**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 March 2015**

(Unit: Baht)

	Issued and fully paid-up share capital	Retained earnings	
		Unappropriated	Total
Balance as at 1 April 2013	1,000,000	8,259,976	9,259,976
Net profit for the year	-	3,428,550	3,428,550
<b>Balance as at 31 March 2014</b>	<b>1,000,000</b>	<b>11,688,526</b>	<b>12,688,526</b>
Balance as at 1 April 2014	1,000,000	11,688,526	12,688,526
Net profit for the year	-	4,651,819	4,651,819
<b>Balance as at 31 March 2015</b>	<b>1,000,000</b>	<b>16,340,345</b>	<b>17,340,345</b>

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

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Bamco Supply and Services Limited

Cash flow statement

For the year ended 31 March 2015

(Unit: Baht)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities</b>			
Profit before tax		5,901,819	4,283,548
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation		56,817	46,436
Amortization of intangible assets		2,589	2,946
Reversal doubtful accounts		(2,821)	(59,899)
Bad debts		-	28,022
Increase (decrease) in reduction of inventory to net realisable value		141,029	(104,632)
Unrealised loss on exchange		-	23,283
Interest expenses		74,515	31,327
Profit from operating activities before changes in operating assets and liabilities		6,173,948	4,251,031
Operating assets (increase) decrease			
Trade and other receivables		1,028,570	(2,938,877)
Inventories		(5,120,567)	3,766,882
Other assets		2,500	30,800
Operating liabilities increase (decrease)			
Trade and other payables		(1,966,796)	(18,462)
Cash flows from (used in) operating activities		117,655	5,091,374
Cash paid for interest expenses		(74,515)	(31,327)
Cash paid for corporate income tax		(579,755)	(1,009,450)
<b>Net cash flows from (used in) operating activities</b>		<u>(536,615)</u>	<u>4,050,597</u>

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

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Bamco Supply and Services Limited

Cash flow statement (continued)

For the year ended 31 March 2015

(Unit: Baht)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		-	(105,276)
<b>Net cash flows from (used in) investing activities</b>		-	(105,276)
<b>Cash flows from financing activities</b>			
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		-	(3,008,238)
<b>Net cash flows from (used in) financing activities</b>		-	(3,008,238)
<b>Net increase (decrease) in cash and cash equivalents</b>		(536,615)	937,083
Cash and cash equivalents at beginning of year		2,958,492	2,021,409
<b>Cash and cash equivalents at end of year</b>		<u>2,421,877</u>	<u>2,958,492</u>

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

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## **Bamco Supply and Services Limited**

### **Notes to financial statements**

**For the year ended 31 March 2015**

#### **1. General information**

Bamco Supply and Services Limited ("the Company") is a limited company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution of seepage proof products and chemical, and to provide installation service for seepage proof and heat resistant system. The registered office of the Company is at No.699 Modernform Tower 15th Floor, Srinakarin Road, Suan Luang, Suan Luang, Bangkok.

#### **2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards applicable to non-publicly accountable entities as issued by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

#### **3. Significant accounting policies**

##### **3.1 Revenue recognition**

###### *Sales of goods*

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

##### **3.2 Cash and cash equivalents**

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

### 3.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### 3.4 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of goods is calculated by using the weighted average basis and comprises of acquisition cost, conversion cost or other cost incurred in bringing the inventories to their present location and condition.

### 3.5 Equipment and Depreciation

Equipment is stated at cost less accumulated depreciation and allowance for diminution in value (if any).

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

Machinery and equipment	-	5 years
Furniture, fixtures and office equipment	-	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

### 3.6 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and allowance for diminution in value (if any).

Intangible assets are amortised as expenses in the income statements on a straight-line basis over the economic useful life. A summary of the intangible assets are as follows:

	<u>Useful lives</u>
Computer software	5 years

### 3.7 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges,

are included in other long-term payables, which interest element is charged to the income statements over the lease period.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

### **3.8 Foreign currencies**

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

Gains and losses on exchange are included in determining income.

### **3.9 Provisions**

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

For long-term employee benefits, the Company calculates its long-term employee benefits obligation on the basis of its best estimate of its payment obligations as at the end of the reporting period.

### **3.10 Income tax**

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

## **4. Use of accounting estimates**

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

**5. Cash and cash equivalents**

	(Unit: Baht)	
	<u>2015</u>	<u>2014</u>
Cash on hand	5,000	4,590
Current accounts	986,260	1,186,141
Savings accounts	1,430,617	1,767,761
Total	<u>2,421,877</u>	<u>2,958,492</u>

**6. Trade and other receivables**

	(Unit: Baht)	
	<u>2015</u>	<u>2014</u>
Trade accounts receivable	8,800,579	9,694,615
Other receivables	219,791	354,325
Total	<u>9,020,370</u>	<u>10,048,940</u>
Less: Allowance for doubtful accounts	<u>(10,250)</u>	<u>(13,071)</u>
Trade and other receivables – net	<u>9,010,120</u>	<u>10,035,869</u>

**7. Inventories**

	(Unit: Baht)					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Finished goods	8,119,319	2,998,752	(197,083)	(56,054)	7,922,236	2,942,698
Total	<u>8,119,319</u>	<u>2,998,752</u>	<u>(197,083)</u>	<u>(56,054)</u>	<u>7,922,236</u>	<u>2,942,698</u>

During the current year, the Company reduced cost of inventories by Baht 0.29 million (2014: Baht 0.04 million), to reflect the net realisable value. This was presented as cost of sales.

## 8. Equipment

	(Unit: Baht)
	<u>Equipment</u>
<b>Cost</b>	
1 April 2013	225,033
Additions	<u>105,276</u>
31 March 2014	330,309
Additions	<u>-</u>
31 March 2015	<u>330,309</u>
<b>Accumulated depreciation:</b>	
1 April 2013	126,126
Depreciation for the year	<u>46,436</u>
31 March 2014	172,562
Depreciation for the year	<u>56,817</u>
31 March 2015	<u>229,379</u>
<b>Net book value:</b>	
31 March 2014	<u>157,747</u>
31 March 2015	<u>100,930</u>

## 9. Intangible assets

	(Unit: Baht)	
	<u>2015</u>	<u>2014</u>
Computer software – cost	14,598	14,598
<u>Less:</u> Accumulated amortization	<u>(10,730)</u>	<u>(8,141)</u>
Net book value	<u>3,868</u>	<u>6,457</u>
	<u>2015</u>	<u>2014</u>
Net book value at beginning year	6,457	9,403
Amortisation	<u>(2,589)</u>	<u>(2,946)</u>
Net book value at end of year	<u>3,868</u>	<u>6,457</u>

## 10. Bank overdrafts and short-term loans from financial institutions

The Company obtained overdrafts facilities and short-term loans from financial institution of total credits lines of Baht 10 million, guaranteed by an overseas related company.

**11. Trade and other payables**

	(Unit: Baht)	
	<u>2015</u>	<u>2014</u>
Trade accounts payable – related companies	75,707	720,670
Trade accounts payable – other companies	564,626	1,719,878
Accrued expenses	667,326	744,003
Other payable	37,382	127,286
Total	<u>1,345,041</u>	<u>3,311,837</u>

**12. Income tax**

For the year ended March 31, 2015 and 2014, the Company recognized corporate income tax at the rate 20% of profit before tax after adjusted by allowance and other expenses which shall not be allowed as expenses in tax calculation as described in the Revenue Code.

**13. Commitments and contingent liabilities**

As at 31 March 2015, the Company has not outstanding letters of credits with a local bank (2014: USD 130,614).

**14. Approval of financial statements**

These financial statements were authorized for issue by the Company's authorized director of the Board of Director meeting on 29 April 2015.