

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

30 SEPTEMBER 2020



Independent Auditor's Report

To the shareholders and the Board of Directors of Inoue Rubber (Thailand) Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Inoue Rubber (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 30 September 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 30 September 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

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



Key audit matter	How my audit addressed the key audit matter
<p>Allowance for obsolete and slow-moving inventories</p> <p>Refer to note 3.8 (accounting policies) and note 11 (inventories), allowance is made for obsolete and slow-moving inventories.</p> <p>As at 30 September 2020, the gross amounts of inventories in the consolidated and separate statements of financial position were Baht 464.94 million and Baht 462.35 million, respectively. The allowance for inventories obsolescence was Baht 5.50 million, equally.</p> <p>The valuation of inventories was an area of focus because inventories were a significant part of the total assets and the allowances for obsolete and slow-moving inventories were subject to management's judgement and experience and market situation.</p> <p>The Group recorded allowance for obsolete and slow-moving inventories, where necessary. The assessment for the allowances for obsolete and slow-moving inventories required a degree of estimation from judgement. Management has applied their assessment on their experience and historical data. Each category of inventory with no movement longer than the ordinary course of business was subject to 100% allowance. The level of the allowances was assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affected obsolete and slow-moving inventories.</p>	<p>I performed the following procedures:</p> <ul style="list-style-type: none">• Updated my understanding of the Group's assumptions used to develop the allowances for obsolete and slow-moving inventories and determined that the accounting policies were consistent with prior years.• Assessed the reasonableness of management's assumptions used in developing the allowances for obsolete and slow-moving inventories by considering historical data and prior years' experience including key inventory ratios. I also challenged management's assumption of specific periods as to whether they were appropriately used in determining the valuation of inventories.• Tested the reliability of the inventory aging report that was used by the management to assess the valuation of the allowance by tracing the last movement date of the inventory aging report to the supporting documents in order to confirm that inventories were assigned to the correct aging category by the system.• Tested the mathematical accuracy of the allowances of the inventories obsolescence derived from management's assumptions. No material variances arose from performing this work. <p>Using the above procedures, I determined that management's assumption was properly applied. In addition, the estimation of the allowances for obsolete and slow-moving inventories were applied appropriately.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.



Responsibilities of the directors for the consolidated and separate financial statements

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

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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



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

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

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

Emphasis of matter

I draw attention to note 3 of the interim financial information, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My conclusion is not modified in respect to this matter.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to be 'Napanuch Apichatsatien', written in a cursive style.

Napanuch Apichatsatien
Certified Public Accountant (Thailand) No. 5266
Bangkok
23 November 2020

Inoue Rubber (Thailand) Public Company Limited

Statements of Financial Position

As at 30 September 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	8	905,100,452	599,206,155	869,496,013	552,721,818
Trade and other receivables, net	9	817,259,982	1,011,808,633	819,082,994	1,014,922,550
Available-for-sale investments	10	124,538,922	436,003,488	124,538,922	436,003,488
Held to maturity investments		188,655,406	-	188,655,406	-
Inventories, net	11	459,436,928	568,101,124	456,847,460	564,707,099
Other current assets		6,458,760	11,374,071	3,716,584	7,935,318
Total current assets		2,501,450,450	2,626,493,471	2,462,337,379	2,576,290,273
Non-current assets					
Available-for-sale investments	10	79,542,967	266,118,341	79,542,967	266,118,341
Investments in subsidiaries	12	-	-	20,049,230	20,049,230
Other long-term investment	13	30,781,799	30,781,799	30,781,799	30,781,799
Investment property, net	14	9,020,821	9,188,314	9,705,095	9,901,845
Property, plant and equipment, net	15	1,817,643,817	1,803,662,086	1,749,718,355	1,741,256,026
Computer software, net	16	50,373,577	42,497,841	44,236,178	37,758,336
Deferred tax assets	17	66,190,243	50,738,842	61,622,488	45,696,023
Other non-current assets		33,563,316	19,300,033	33,503,316	19,240,032
Total non-current assets		2,087,116,540	2,222,287,256	2,029,159,428	2,170,801,632
Total assets		4,588,566,990	4,848,780,727	4,491,496,807	4,747,091,905

Director _____

Director _____

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

Inoue Rubber (Thailand) Public Company Limited

Statements of Financial Position (Cont'd)

As at 30 September 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	18	701,525,581	991,106,073	700,828,849	998,106,410
Income tax payable		9,875,553	13,253,059	9,875,553	13,253,059
Other current liabilities		1,040,150	2,178,603	-	-
Total current liabilities		712,441,284	1,006,537,735	710,704,402	1,011,359,469
Non-current liabilities					
Deferred tax liabilities	17	331,106	612,489	-	-
Employee benefit obligations	19	326,796,733	260,550,489	296,281,462	228,820,114
Total non-current liabilities		327,127,839	261,162,978	296,281,462	228,820,114
Total liabilities		1,039,569,123	1,267,700,713	1,006,985,864	1,240,179,583

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

Inoue Rubber (Thailand) Public Company Limited

Statements of Financial Position (Cont'd)

As at 30 September 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	20				
Authorised share capital					
Ordinary shares, 200 million shares at par value of Baht 1 each		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid-up share capital					
Ordinary shares, 200 million shares paid-up of Baht 1 each		200,000,000	200,000,000	200,000,000	200,000,000
Share premium	20	298,000,000	298,000,000	298,000,000	298,000,000
Retained earnings					
Appropriated - legal reserve	21	20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated		3,211,750,355	3,075,882,823	3,137,760,268	2,996,746,495
Less Treasury shares	22	(114,011,638)	-	(114,011,638)	-
Other components of equity		(66,745,627)	(12,808,053)	(57,237,687)	(7,834,173)
Equity attributable to owners of the parent					
		3,548,993,090	3,581,074,770	3,484,510,943	3,506,912,322
Non-controlling interests		4,777	5,244	-	-
Total equity		3,548,997,867	3,581,080,014	3,484,510,943	3,506,912,322
Total liabilities and equity		4,588,566,990	4,848,780,727	4,491,496,807	4,747,091,905

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income
 For the year ended 30 September 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Revenues					
Sales and services income	27	4,364,108,574	5,429,642,723	4,361,683,099	5,427,098,152
Dividend income	12, 13, 26	22,102,083	-	39,101,773	9,999,774
Other income		47,677,692	51,627,437	50,698,927	54,020,125
Total revenues		4,433,888,349	5,481,270,160	4,451,483,799	5,491,118,051
Expenses					
Costs of sales and services		3,799,049,893	4,865,661,553	3,821,922,193	4,884,229,076
Selling expenses		101,339,263	112,007,668	101,339,263	112,007,668
Administrative expenses		248,365,326	288,526,425	241,535,260	279,260,032
Other expenses		20,809,708	18,140,753	20,435,049	18,023,579
Total expenses		4,169,564,190	5,284,336,399	4,185,231,765	5,293,520,355
Profit before finance costs and income tax expense		264,324,159	196,933,761	266,252,034	197,597,696
Finance costs		-	-	-	-
Profit before income tax expense		264,324,159	196,933,761	266,252,034	197,597,696
Income tax expense	24	(45,261,309)	(30,391,296)	(42,042,915)	(29,805,398)
Net profit for the year		219,062,850	166,542,465	224,209,119	167,792,298

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

Inoue Rubber (Thailand) Public Company Limited
Statements of Comprehensive Income (Cont'd)
For the year ended 30 September 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Other comprehensive income (expense)					
Items that will not be reclassified					
subsequently to profit or loss:					
Remeasurements of employee					
benefit obligations	19	(62,939,359)	(5,068,419)	(57,271,622)	(4,307,037)
Income tax on remeasurements of					
employee benefit obligations	17	12,587,872	1,013,684	11,454,324	861,407
Total items that will not be reclassified					
subsequently to profit or loss					
		(50,351,487)	(4,054,735)	(45,817,298)	(3,445,630)
Item that will be reclassified					
subsequently to profit or loss:					
Change in value of available-for-sale					
investments	10	(4,482,770)	1,992,209	(4,482,770)	1,992,209
Income tax on change in value of					
available-for-sale investments	17	896,554	(398,442)	896,554	(398,442)
Total item that will be reclassified					
subsequently to profit or loss					
		(3,586,216)	1,593,767	(3,586,216)	1,593,767
Other comprehensive expense					
for the year, net of tax					
		(53,937,703)	(2,460,968)	(49,403,514)	(1,851,863)
Total comprehensive income					
for the year					
		165,125,147	164,081,497	174,805,605	165,940,435
Profit attributable to:					
Owners of the parent					
		219,062,878	166,541,961	224,209,119	167,792,298
Non-controlling interests					
		(28)	504	-	-
		219,062,850	166,542,465	224,209,119	167,792,298
Total comprehensive income					
attributable to:					
Owners of the parent					
		165,125,304	164,081,019	174,805,605	165,940,435
Non-controlling interests					
		(157)	478	-	-
		165,125,147	164,081,497	174,805,605	165,940,435
Earnings per share					
Basic earnings per share					
	25	1.12	0.83	1.15	0.84

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Changes in Equity
 For the year ended 30 September 2020

		Consolidated financial statements										
		Attributable to owners of the parent					Other components of equity					
		Capital contributed		Retained earnings		Other comprehensive income (expense)			Total		Non-	
		Issued and fully paid-up share capital	Share premium	Treasury shares	Appropriated - Legal reserve	Unappropriated retained earnings	Change in value of available-for-sale investments	Remeasurements of employee benefit obligations	Total other components of equity	owners of the parent	controlling interests	Total equity
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Notes												
Opening balance												
as at 1 October 2018		200,000,000	298,000,000	-	20,000,000	3,088,640,862	(131,116)	(10,215,995)	(10,347,111)	3,596,293,751	4,992	3,596,298,743
Total comprehensive income (expense) for the year		-	-	-	-	166,541,961	1,593,767	(4,054,709)	(2,460,942)	164,081,019	478	164,081,497
Dividends paid		-	-	-	-	(179,300,000)	-	-	-	(179,300,000)	(226)	(179,300,226)
Closing balance												
as at 30 September 2019		200,000,000	298,000,000	-	20,000,000	3,075,882,823	1,462,651	(14,270,704)	(12,808,053)	3,581,074,770	5,244	3,581,080,014
Opening balance												
as at 1 October 2019		200,000,000	298,000,000	-	20,000,000	3,075,882,823	1,462,651	(14,270,704)	(12,808,053)	3,581,074,770	5,244	3,581,080,014
Total comprehensive income (expense) for the year		-	-	-	-	219,062,878	(3,586,216)	(50,351,358)	(53,937,574)	165,125,304	(157)	165,125,147
Dividends paid		-	-	-	-	(83,195,346)	-	-	-	(83,195,346)	(310)	(83,195,656)
Treasury shares		-	-	(114,011,638)	-	-	-	-	-	(114,011,638)	-	(114,011,638)
Closing balance												
as at 30 September 2020		200,000,000	298,000,000	(114,011,638)	20,000,000	3,211,750,355	(2,123,565)	(64,622,062)	(66,745,627)	3,548,993,090	4,777	3,548,997,867

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Changes in Equity (Cont'd)
 For the year ended 30 September 2020

		Separate financial statements									
		Capital contributed				Retained earnings		Other comprehensive income (expense)			Other components of equity
		Issued and fully paid-up share capital	Share premium	Treasury shares	Appropriated - Legal reserve	Unappropriated retained earnings	Change in value of available-for-sale investments	Remeasurements of employee benefit obligations	Total other components of equity	Total equity	
Notes		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	Opening balance										
	as at 1 October 2018	200,000,000	298,000,000	-	20,000,000	3,008,254,197	(131,116)	(5,851,194)	(5,982,310)	3,520,271,887	
	Total comprehensive income (expense) for the year	-	-	-	-	167,792,298	1,593,767	(3,445,630)	(1,851,863)	165,940,435	
28	Dividends paid	-	-	-	-	(179,300,000)	-	-	-	(179,300,000)	
	Closing balance										
	as at 30 September 2019	200,000,000	298,000,000	-	20,000,000	2,996,746,495	1,462,651	(9,296,824)	(7,834,173)	3,506,912,322	
	Opening balance										
	as at 1 October 2019	200,000,000	298,000,000	-	20,000,000	2,996,746,495	1,462,651	(9,296,824)	(7,834,173)	3,506,912,322	
	Total comprehensive income (expense) for the year	-	-	-	-	224,209,119	(3,586,216)	(45,817,298)	(49,403,514)	174,805,605	
28	Dividends paid	-	-	-	-	(83,195,346)	-	-	-	(83,195,346)	
22	Treasury shares	-	-	(114,011,638)	-	-	-	-	-	(114,011,638)	
	Closing balance										
	as at 30 September 2020	200,000,000	298,000,000	(114,011,638)	20,000,000	3,137,760,268	(2,123,565)	(55,114,122)	(57,237,687)	3,484,510,943	

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

Inoue Rubber (Thailand) Public Company Limited

Statements of Cash Flows

For the year ended 30 September 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		264,324,159	196,933,761	266,252,034	197,597,696
Adjustments for:					
Depreciation charges	14, 15, 23	342,885,633	312,541,137	329,267,671	299,619,752
Amortisation charges	16, 23	8,246,547	5,987,385	7,025,041	4,849,723
Gain on disposals of available-for-sale investments		(1,336,674)	(4,760)	(1,336,674)	(4,760)
Loss on allowance for inventories obsolescence	11	5,611,883	1,520,765	5,611,883	1,520,765
Loss on write-offs and disposals of property, plant and equipment		1,361,670	1,194,130	1,238,774	1,601,810
Loss on write-offs computer software		-	3,492	-	3,492
Unrealised (gain) loss on exchange rate		(480,812)	819,764	(487,826)	819,764
Dividend income	12, 13, 26	(22,102,083)	-	(39,101,773)	(9,999,774)
Interest income		(14,766,672)	(16,961,668)	(14,607,457)	(16,776,107)
Employee benefits	19	27,162,735	78,872,849	31,892,029	69,724,879
Changes in operating assets and liabilities					
Trade and other receivables		196,306,231	(11,751,758)	197,631,953	(14,574,390)
Inventories		103,052,313	71,738,394	102,247,756	69,340,564
Other current assets		1,232,063	4,302,046	4,218,734	4,207,522
Other non-current assets		(14,263,283)	(4,655,436)	(14,263,284)	(4,595,435)
Trade and other payables		(260,304,406)	(181,930,989)	(255,246,645)	(181,240,075)
Other current liabilities		(1,138,453)	(125,247)	-	-
Employee benefits paid	19	(23,855,850)	(30,566,851)	(21,702,303)	(30,339,576)
Cash generated from operating activities		611,935,001	427,917,014	598,639,913	391,755,850
Interest received		15,742,290	16,411,252	15,548,258	16,254,762
Income tax paid		(48,996,008)	(54,643,819)	(48,996,008)	(54,643,819)
Income tax refund received		1,792,082	-	-	-
Net cash generated from operating activities		580,473,365	389,684,447	565,192,163	353,366,793

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

Inoue Rubber (Thailand) Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 30 September 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Purchases of available-for-sale investments	10	(350,035,770)	(1,319,080,124)	(350,035,770)	(1,319,080,124)
Proceeds from disposals of available-for-sale investments		560,606,524	1,320,636,958	560,606,524	1,320,636,958
Proceeds from maturity of held-to-maturity investments		94,507,840	-	94,507,840	-
Purchases of property, plant and equipment		(393,739,717)	(437,205,555)	(387,197,264)	(427,828,568)
Purchases of computer software	16	(16,122,283)	(15,701,298)	(13,502,883)	(15,475,298)
Proceeds from disposals of property, plant and equipment		5,309,549	17,194,710	5,308,796	16,013,986
Proceeds from disposals of computer software		-	8,220	-	8,220
Dividend received	12, 13, 26	22,102,083	-	39,101,773	9,999,774
Net cash used in investing activities		(77,371,774)	(434,147,089)	(51,210,984)	(415,725,052)
Cash flows from financing activities					
Repurchases of ordinary shares	22	(114,011,638)	-	(114,011,638)	
Dividends paid	28	(83,195,656)	(179,300,226)	(83,195,346)	(179,300,000)
Net cash used in financing activities		(197,207,294)	(179,300,226)	(197,206,984)	(179,300,000)
Net increase (decrease) in cash and cash equivalents		305,894,297	(223,762,868)	316,774,195	(241,658,259)
Cash and cash equivalents at the beginning of the year		599,206,155	822,969,023	552,721,818	794,380,077
Cash and cash equivalents at the end of the year		905,100,452	599,206,155	869,496,013	552,721,818

Non-cash transactions

Significant non-cash transactions for the years ended 30 September 2020 and 2019 comprised:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Payables from property, plant and equipment acquisition	19,017,000	49,385,627	23,169,318	66,285,761

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

1 General information

Inoue Rubber (Thailand) Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The addresses of the Company’s registered offices are as follows:

Head office: No. 258, Soi Rangsit-Nakornnayok 49, Prachathipat sub-district, Thanyaburi district, Pathumthani.

Branch office: No. 157, Moo 5, Phaholyothin Road, Lamsai sub-district, Wangnoi district, Pranakorn Sri Ayutthaya.

For reporting purpose, the Company and its subsidiaries are referred to as “the Group”.

The principal business operations of the Group are summarised below:

The Company is principally engaged in the manufacture and distribution of motorcycle tires, tubes, and industrial elastomer rubber parts.

Kin No Hoshi Engineering Company Limited, a subsidiary, is principally engaged in the manufacture, repair and modification of metal molds and equipment for production of motorcycle tires, tubes, and automotive rubber parts.

IRC (Asia) Research Limited, a subsidiary, is principally engaged in the research and development of motorcycle tires, tubes, and automotive rubber parts.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 23 November 2020.

2 Significant events during the current year

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has adverse effects widespread on the operating results, which related to many industries, including the Group.

The nationwide COVID-19 outbreak and decline in domestic economic resulted in lower vehicle and automotive parts demand in automotive industry and decrease in sales of the Group, accordingly. Even though the Group resumed all of its operations in the second half of 2020, the revenue dropped by 20% compared to 2019. During the recovery period, the management has been closely monitoring all costs and operating expenses and taking step to preserve the business continuity with measures of effective cost and working capital managements. Moreover, The Group establishes an internal division to be responsible for regular monitoring situation to ensure whether measures and decision are effective and supportive to the Group’s strategy.

3 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

3.1 Basis for preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed otherwise in relevant accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 5.

An English version of the consolidated and separate financial statements have 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.

The following application of the temporary exemption guidance to relieve the impact from the coronavirus pandemic (COVID-19) (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020.

Reversal of deferred tax assets

The Group has chosen to exclude information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Group writes down the carrying amount of the deferred tax assets when it's not probable that the future taxable profit will be available for utilising the deductible temporary differences.

Impairment of assets

The Group has chosen to exclude information related to COVID-19 as an indication of the impairment of assets.

3.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

3.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 October 2019

a) TFRS 15, Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The Group has adopted the new Thai Financial Reporting Standards (TFRS) no. 15, Revenue from contracts with customers from 1 October 2019 under the modified retrospective approach and the comparative figures have not been restated. However, the Group's management assessed that the above change in accounting policy do not have significant impact to the Group's accounting treatment and did not restate the beginning balance of retained earnings.

b) TFRS 40 (revised 2018), Investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

c) TFRS 1, First-time adoption of Thai Financial Reporting Standards

TFRS 1 addresses the treatment when the Group adopts, for the first time, Thai Financial Reporting Standards (TFRSs) as a basis for preparing its financial statements. TFRS 1 grants specific optional exemptions and mandatory exceptions from TFRSs' general requirements. It also requires certain disclosures explaining how the transition from previous GAAP to TFRSs affects the Group's financial position, financial performance and cash flows.

3.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 30 September 2020 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

c) Other amended standards

The amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

The Group has not yet early adopted these new and amended financial reporting standards and the Group's management is currently assessing the impacts from these standards.

3.3 Principles of consolidation

a) Subsidiaries

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Historical cost also includes direct attributable costs of investment.

A list of the Company's subsidiaries is set out in Note 12.

b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

- c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

3.4 Foreign currency translation

- a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and 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 the date of revaluation 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 profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

3.5 Financial instruments

The Group is party to derivative financial instruments, which are foreign currency forward contracts. Such instruments are not recognised in the financial statements.

Foreign currency forward contracts prevent the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are not recognised in the financial statements. The fee incurred in establishing each agreement is amortised over the contract period, if any.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 29.4.

3.6 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In statements of financial position, bank overdrafts are shown within borrowings under current liabilities in the statement of financial position.

3.7 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

3.8 Inventories

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

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

3.9 Investments debt securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at cost, which is fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Held-to-maturity investments

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

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

3.10 Investment property

Investment properties, principally land and office buildings, are held for long-term rental yields and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs. Subsequently, they are carried at cost less accumulated depreciation and impairment.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Land improvements	10 years
Building and building improvements	5 - 20 years

3.11 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvements	10 years
Building and building improvements	5 - 20 years
Machinery	2 - 20 years
Tools and factory equipment	5 years
Furniture, fixtures and office equipment	3 - 5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

3.12 Computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives of 3 - 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

3.13 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

3.14 Leases

Leases - where the Group is a lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases - where the Group is the lessor

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

3.15 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the 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

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.16 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Group pays contributions to a separate fund on a mandatory basis. 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.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary 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 matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

d) Other long-term benefits

The Group gives gold rewards to employees when they have worked for the Group until retirement. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

e) Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

3.17 Provisions

Provisions 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.18 Share capital

Ordinary are classified as equity.

Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

Treasury share

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

3.19 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

Sale of goods

The Group manufactures and sells motorcycle tires, tubes, and industrial elastomer rubber parts. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with retrospective volume discounts based on aggregate sales over a specified period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 - 60 days, which is consistent with market practice.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities is set off against contract assets.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

3.20 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

3.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker of the Group which includes Chairman, President and Director.

Segment information is presented by business segment of the Group's operations in Note 7.

4 Financial risk management

4.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The board of directors provides written principles for overall risk management which is carried out by the Group treasury, including identification, evaluation and hedge of financial risks in close co-operation with operating units.

4.1.1 Foreign exchange risk

The Group's primary functional currencies are US Dollars, Japanese Yen, and Euro, while foreign sales and purchases transactions are primarily denominated in US Dollars, Japanese Yen.

The Group uses forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency. The Group treasury is responsible for hedging the net position in each currency by using external forward currency contracts.

4.1.2 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit. Derivative counterparties and deposits are limited to high credit quality financial institutions.

4.1.3 Liquidity risk

The Group manages sufficient cash and marketable securities, the availability to close out market positions.

4.1.4 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 board of directors.

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

Investments in private fund

Type of investment	Proportion of investment
Government securities, debentures or bonds	Not to exceed 70% of net asset value of the fund
Collective Investment Scheme (CIS)	Permitted only Money Market Fund

4.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instrument, which is foreign currency forward contracts. The instrument is not recognised in the financial statements on inception.

The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss. The fee incurred in establishing each agreement is amortised over the contract period.

Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense when due. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are recognised in profit or loss.

The Group's derivative financial instruments are disclosed in note 29.4.

4.3 Fair value

The following table presents financial assets that are measured at fair value, excluding where its fair value is approximating the carrying amount.

As at 30 September	Consolidated and separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht	2020 Million Bah	2019 Million Bah	2020 Million Bah	2019 Million Bah
Assets:								
Available-for-sale investments								
Debt investments	204.08	702.12	-	-	-	-	204.08	702.12
Total assets	204.08	702.12	-	-	-	-	204.08	702.12

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on current bid price / the closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

Transfer between fair value hierarchy

The Group recognises transfers between fair value hierarchy levels as at the end of the reporting period.

5 Critical estimates and judgements

Estimates and judgements 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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

5.1 Inventories

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories. The assessment for the allowances for obsolete and slow-moving inventories required a degree of estimation from judgement. Management has applied their assessment on their experience and historical data. Each category of inventory with no movement longer than the ordinary course of business was subject to 100% allowance. The level of the allowances was assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affected obsolete and slow-moving inventories. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses.

5.2 Investment property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment and intangible assets. Management will revise the depreciation and amortisation charges where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

5.3 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate, inflation rate, future salary increase rate and retirement age. Any changes in these assumptions will have an impact on the carrying amount of the obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers 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 the terms of the related pension liability.

Other key assumptions for the obligations are based in part on current market conditions. Additional information is disclosed in Note 19.

5.4 Available-for-sale investments

Securities in available-for-sale investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost. Such investments are subsequently measured at fair value. The fair value of available-for-sale investments is based on close market price published by the Thai Bond Market Association as at period-end or Net Asset Value (NAV) announced by the Asset Management Company. The unrealised gains and losses of available-for-sale investments are recognised in equity.

6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

7 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker of the Group which includes Chairman, President and Director.

The Group's operations involve principally the manufacture and distribution of rubber and elastomer products mainly for automobile industry with manufacturing facilities in Thailand and operations in both domestic and overseas markets.

The factor used to identify the Group's reportable segments includes geographical areas. There are two reportable segments i.e. (1) Local and (2) Export.

Inoue Rubber (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 30 September 2020

Financial information of the Group for the years ended 30 September 2020 and 2019 classified by market were presented as follows:

	Consolidated financial statements					
	Local		Export		Total	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Revenue from sales and services	3,195,180,572	4,001,594,256	1,168,928,002	1,428,048,467	4,364,108,574	5,429,642,723
Cost of sales and services	(2,859,976,893)	(3,662,114,705)	(939,073,000)	(1,203,546,848)	(3,799,049,893)	(4,865,661,553)
Gross profit	335,203,679	339,479,551	229,855,002	224,501,619	565,058,681	563,981,170
Other income					47,677,692	51,627,437
Dividend income					22,102,083	-
Selling expenses					(101,339,263)	(112,007,668)
Administrative expenses					(248,365,326)	(288,526,425)
Other expenses					(20,809,708)	(18,140,753)
Profit before income tax expense					264,324,159	196,933,761
Income tax expense					(45,261,309)	(30,391,296)
Net profit for the year					219,062,850	166,542,465
Timing of revenue recognition						
At a point in time	3,194,839,327	4,000,446,631	1,167,538,557	1,427,754,756	4,362,377,884	5,428,201,387
Overtime	341,245	1,147,625	1,389,445	293,711	1,730,690	1,441,336
Total revenues	3,195,180,572	4,001,594,256	1,168,928,002	1,428,048,467	4,364,108,574	5,429,642,723

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash on hand	119,524	85,821	91,348	48,224
Deposits with banks				
- Saving deposits	271,509,667	86,924,793	262,223,964	80,473,892
- Current deposits	6,020,576	7,872,833	1,730,016	979,954
- Fixed deposits	627,450,685	504,322,708	605,450,685	471,219,748
Cash and cash equivalents	905,100,452	599,206,155	869,496,013	552,721,818

The interest rates (per annum) on deposits are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 % per annum	2019 % per annum	2020 % per annum	2019 % per annum
Saving deposits	0.05 - 0.13	0.10 - 0.40	0.05 - 0.13	0.10 - 0.40
Fixed deposits	0.16 - 0.80	1.00 - 1.55	0.16 - 0.80	1.00 - 1.55

Fixed deposits are 13 days and 3 months fixed deposits with banks (2019: 10 days and 3 months fixed deposits).

9 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables - related companies (Note 26)	406,335,696	500,872,818	408,932,086	505,760,278
Trade receivables - other companies	405,131,511	505,019,994	403,873,240	502,648,644
<u>Less</u> Allowance for doubtful accounts	-	(2,167,775)	-	(2,167,775)
Trade receivables, net	811,467,207	1,003,725,037	812,805,326	1,006,241,147
Prepayments	3,885,531	5,617,416	3,095,802	4,961,471
Accrued income	476,096	598,169	468,283	249,240
Advanced payments	10,000	252,950	-	-
Amounts due from related parties (Note 26)	1,405,924	1,421,941	2,698,359	3,277,571
Other receivables	15,224	193,120	15,224	193,121
Trade and other receivables, net	817,259,982	1,011,808,633	819,082,994	1,014,922,550

Outstanding trade receivables as at 30 September 2020 and 2019 can be analysed by aging as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<u>Related companies</u>				
Current	406,335,696	485,836,892	408,932,086	490,724,352
Overdue up to 3 months	-	14,939,806	-	14,939,806
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	96,120	-	96,120
Overdue more than 12 months	-	-	-	-
	406,335,696	500,872,818	408,932,086	505,760,278
<u>Other companies</u>				
Current	404,995,435	494,007,890	403,737,164	491,636,540
Overdue up to 3 months	84,099	3,500,038	84,099	3,500,038
Overdue 3 - 6 months	51,977	5,344,291	51,977	5,344,291
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	2,167,775	-	2,167,775
	405,131,511	505,019,994	403,873,240	502,648,644
<u>Less</u> Allowance for doubtful accounts	-	(2,167,775)	-	(2,167,775)
	405,131,511	502,852,219	403,873,240	500,480,869
Total trade receivables, net	811,467,207	1,003,725,037	812,805,326	1,006,241,147

During 2020, total amounts of receivables written-off as uncollectible was Baht 2,167,775 (2019: Nil).

10 Available-for-sale investments

As at 30 September 2020, the Group had available-for-sale investments in private fund which is managed by an asset management company, aims to investing in bonds and debentures of both government and private sectors and domestic fixed-income funds. Appropriate investments periods are 2 - 3 years. Investment policies of the private fund was disclosed in Note 4.1.4.

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Fair value of available-for-sale investments				
- Current	124,538,922	436,003,488	124,538,922	436,003,488
- Non-current	79,542,967	266,118,341	79,542,967	266,118,341
Available-for-sale investments	204,081,889	702,121,829	204,081,889	702,121,829

The movements of available-for-sale investments for the years ended 30 September 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Opening balance	702,121,829	701,044,282	702,121,829	701,044,282
Purchase of securities	350,035,770	1,319,080,124	350,035,770	1,319,080,124
Disposal of securities	(559,269,850)	(1,320,632,198)	(559,269,850)	(1,320,632,198)
Reclassification to held-to-maturity investments	(283,163,246)	-	(283,163,246)	-
Interest income	11,473,468	12,646,570	11,473,468	12,646,570
Interest received	(12,633,312)	(12,009,158)	(12,633,312)	(12,009,158)
Change in fair values	(4,482,770)	1,992,209	(4,482,770)	1,992,209
At 30 September	204,081,889	702,121,829	204,081,889	702,121,829

Fair value of available-for-sale investments as at 30 September 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Debt securities	204,081,889	702,121,829	204,081,889	702,121,829
	204,081,889	702,121,829	204,081,889	702,121,829

The fair value of available-for-sale investments is based on close market price published by the Thai Bond Market Association as at period-end. The fair value is within level 1 of the fair value hierarchy (Note 4.3).

The outbreak of COVID-19 has adverse effects on financial market, which results in fluctuate return on investment in debt security both government and corporate bonds. However, the Group has overall risk management plans by reducing investment volume and focusing on prudent liquidity risk management.

11 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Raw materials	158,706,895	200,391,257	158,560,889	200,289,423
Work in process	106,434,607	130,456,225	105,914,946	129,587,003
Finished goods	116,869,283	139,904,209	116,869,283	139,904,209
Supplies and spare parts	46,801,380	50,714,940	44,877,579	48,291,971
Inventories in transit	36,125,741	50,366,649	36,125,741	50,366,649
	464,937,906	571,833,280	462,348,438	568,439,255
<u>Less</u> Allowance for inventories obsolescence - raw materials	(2,369,671)	(1,792,294)	(2,369,671)	(1,792,294)
Allowance for inventories obsolescence - finished goods	(2,906,181)	(1,939,862)	(2,906,181)	(1,939,862)
Allowance for inventories obsolescence - supplies and spare parts	(225,126)	-	(225,126)	-
Inventories, net	459,436,928	568,101,124	456,847,460	564,707,099

During 2020, the Group reversed a previous allowance for inventories obsolescence of Baht 3,843,061. The Group has destroyed and written-down those inventories at original cost.

The Group recognised loss on allowance for diminution in value of inventories and obsolete inventories of Baht 5,611,883 (2019: Baht 1,520,765) to the consolidated and separate statements of comprehensive income.

12 Investments in subsidiaries

As at 30 September 2020 and 2019, the Company had investments in subsidiaries as follows:

Company	Type of business	Country of incorporation	Separate financial statements As at 30 September 2020 and 2019		
			Registered capital Baht	% Ownership interest	Investments Baht
IRC (Asia) Research Limited	Research and development of products	Thailand	10,500,000	99.99	10,049,930
Kin No Hoshi Engineering Company Limited	Manufacture, repair and modification of metal molds	Thailand	10,000,000	99.99	9,999,300
Investments in subsidiaries					20,049,230

Dividend income from subsidiaries

At the Annual General Meeting of shareholders for 2020 of IRC (Asia) Research Limited held on 29 January 2020, the shareholders passed a resolution approving dividend payment from its operating results for 2019 at Baht 4.33 per share from non-BOI promoted operations, amounting to a total dividend of Baht 13 million. The dividend was received on 28 February 2020.

At the Annual General Meeting of shareholders for 2019 of IRC (Asia) Research Limited held on 29 January 2019, the shareholders passed a resolution approving dividend payment from its operating results for 2018 at Baht 2.33 per share from non-BOI promoted operations, amounting to a total dividend of Baht 7 million. The dividends were distributed to shareholders on 28 February 2019.

At the Annual General Meeting of shareholders for 2020 of Kin No Hoshi Engineering Company Limited held on 29 January 2020, the shareholders passed a resolution approving dividend payment from its operating results for 2019 at Baht 40 per share from non-BOI promoted operations, amounting to a total dividend of Baht 4 million. The dividend was received on 28 February 2020.

At the Annual General Meeting of shareholders for 2019 of Kin No Hoshi Engineering Company Limited held on 29 January 2019, the shareholders passed a resolution approving dividend payment from its operating results for 2018 at Baht 30 per share from non-BOI promoted operations, amounting to a total dividend of Baht 3 million. The dividends were distributed to shareholders on 28 February 2019.

13 Other long-term investment

As at 30 September 2020 and 2019, the Group had other long-term investment as follows:

Company	Type of business	Country of incorporation	Consolidated and Separate financial statements		
			Registered capital	Ownership interest %	Investment Baht
Inoue Rubber Vietnam Company Limited	Manufacture of tires and tubes of motorcycles and industrial elastomer rubber parts	Vietnam	US Dollars 12.5 million	8	30,781,799
Other long-term investment					30,781,799

Other long-term investment is the investment in the limited company, which the holding percentage in the investment is insignificant cause to the Group has no influence control. Other long-term investment was stated at cost less impairment, if any.

Dividend income from other long-term investment

On 6 March 2020, Inoue Rubber Vietnam Company Limited declared dividend payment from its operating results for 2016 to 2018. The Group had the right to receive the dividend of VND 16,614 million (approximated Baht 22.10 million). The dividend was received on 31 March 2020.

14 Investment property, net

	Consolidated financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
As at 1 October 2018			
Cost	9,020,819	6,493,523	15,514,342
Less Accumulated depreciation	-	(6,307,731)	(6,307,731)
Net book amount	9,020,819	185,792	9,206,611
For the year ended 30 September 2019			
Opening net book amount	9,020,819	185,792	9,206,611
Depreciation charges	-	(18,297)	(18,297)
Closing net book amount	9,020,819	167,495	9,188,314
As at 30 September 2019			
Cost	9,020,819	6,493,523	15,514,342
Less Accumulated depreciation	-	(6,326,028)	(6,326,028)
Net book amount	9,020,819	167,495	9,188,314

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	Consolidated financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
For the year ended 30 September 2020			
Opening net book amount	9,020,819	167,495	9,188,314
Transferred to property, plant and equipment, net (Note 15)	-	(162,894)	(162,894)
Depreciation charges	-	(4,599)	(4,599)
Closing net book amount	9,020,819	2	9,020,821
As at 30 September 2020			
Cost	9,020,819	6,330,629	15,351,448
Less Accumulated depreciation	-	(6,330,627)	(6,330,627)
Net book amount	9,020,819	2	9,020,821
	Separate financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
As at 1 October 2018			
Cost	9,564,949	16,307,503	25,872,452
Less Accumulated depreciation	-	(15,925,336)	(15,925,336)
Net book amount	9,564,949	382,167	9,947,116
For the year ended 30 September 2019			
Opening net book amount	9,564,949	382,167	9,947,116
Transferred to property, plant and equipment, net (Note 15)	-	(1,739)	(1,739)
Transferred from property, plant and equipment, net (Note 15)	-	3,831	3,831
Depreciation charges	-	(47,363)	(47,363)
Closing net book amount	9,564,949	336,896	9,901,845
As at 30 September 2019			
Cost	9,564,949	16,245,243	25,810,192
Less Accumulated depreciation	-	(15,908,347)	(15,908,347)
Net book amount	9,564,949	336,896	9,901,845

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	Separate financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
For the year ended 30 September 2020			
Opening net book amount	9,564,949	336,896	9,901,845
Transferred to property, plant and equipment, net (Note 15)	-	(162,894)	(162,894)
Depreciation charges	-	(33,856)	(33,856)
Closing net book amount	9,564,949	140,146	9,705,095
As at 30 September 2020			
Cost	9,564,949	15,931,220	25,496,169
Less Accumulated depreciation	-	(15,791,074)	(15,791,074)
Net book amount	9,564,949	140,146	9,705,095

As at 30 September 2020 and 2019, the fair values of investment property were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Land	13,875,000	11,829,437	17,726,827	16,703,880
Building and building improvements	16,455,440	17,823,160	23,932,160	25,999,096
	30,330,440	29,652,597	41,658,987	42,702,976

The fair values of investment property are within level 3 of the fair value hierarchy which used significant unobservable inputs (Note 4.3).

The fair values of investment property were appraised by professional independent valuers, who qualified as expert and hold a recognised relevant professional qualification and have recent experience in the locations and categories of such investment property.

Amounts relating to investment property recognised in profit or loss were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Rental income				
- Related parties (Note 26)	1,386,000	1,460,000	4,610,004	4,544,220
- Other party	587,000	575,000	587,000	575,000
Direct operating expense arising from investment property that generated rental income for the year	4,599	18,297	33,856	47,363
Direct operating expense arising from investment property that did not generated rental income for the year	-	-	-	-
	1,977,599	2,053,297	5,230,860	5,166,583

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15 Property, plant and equipment, net

	Consolidated financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles Baht	Asset under construction and installation Baht	
As at 1 October 2018								
Cost	205,913,020	904,147,223	2,714,617,499	1,822,238,739	133,875,607	66,771,579	154,553,945	6,002,117,612
Less: Accumulated depreciation	(53,052,198)	(641,562,871)	(1,810,826,118)	(1,598,909,198)	(102,635,372)	(44,901,803)	-	(4,251,887,560)
Net book amount	152,860,822	262,584,352	903,791,381	223,329,541	31,240,235	21,869,776	154,553,945	1,750,230,052
For the year ended 30 September 2019								
Opening net book amount	152,860,822	262,584,352	903,791,381	223,329,541	31,240,235	21,869,776	154,553,945	1,750,230,052
Additions	4,410,633	21,528,160	97,463,217	109,378,628	14,182,990	5,307,201	132,072,886	384,343,715
Disposals, net	-	(1,533,287)	(8,236,495)	(469,794)	(82,313)	(433,080)	(5,065,633)	(15,820,602)
Write-offs, net	(8,593)	(509,186)	(654,218)	(1,305,293)	(90,949)	-	-	(2,568,239)
Transfers in (out)	-	7,234,120	119,092,860	12,353,259	24,650	-	(138,704,889)	-
Depreciation charges	(7,436,293)	(39,000,564)	(157,372,936)	(87,816,873)	(13,163,584)	(7,732,590)	-	(312,522,840)
Closing net book amount	149,826,569	250,303,595	954,083,809	255,469,468	32,111,029	19,011,307	142,856,309	1,803,662,086
As at 1 October 2019								
Cost	210,137,447	925,536,691	2,834,660,307	1,915,640,138	142,804,709	68,397,520	142,856,309	6,240,033,121
Less: Accumulated depreciation	(60,310,878)	(675,233,096)	(1,880,576,498)	(1,660,170,670)	(110,693,680)	(49,386,213)	-	(4,436,371,035)
Net book amount	149,826,569	250,303,595	954,083,809	255,469,468	32,111,029	19,011,307	142,856,309	1,803,662,086

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	Consolidated financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles Baht	Asset under construction and installation Baht	
For the year ended 30 September 2020								
Opening net book amount	149,826,569	250,303,595	954,083,809	255,469,468	32,111,029	19,011,307	142,856,309	1,803,662,086
Additions	3,141,140	12,149,385	158,964,035	62,170,762	11,573,490	2,700,929	112,671,349	363,371,090
Disposals, net	-	(138,998)	(4,555,572)	(519,464)	(58,836)	(38)	-	(5,272,908)
Write-offs, net	(1)	(1)	(189,863)	(1,146,436)	(62,010)	-	-	(1,398,311)
Transferred from investment property (Note 14)	-	162,894	-	-	-	-	-	162,894
Transfers in (out)	108,000	42,272,783	109,896,065	14,181,592	1,708,950	-	(168,167,390)	-
Depreciation charges	(7,763,134)	(41,061,526)	(177,818,073)	(93,528,700)	(15,610,764)	(7,098,837)	-	(342,881,034)
Closing net book amount	145,312,574	263,688,132	1,040,380,401	236,627,222	29,661,859	14,613,361	87,360,268	1,817,643,817
As at 30 September 2020								
Cost	212,828,630	979,942,330	3,059,557,760	1,977,552,463	153,391,520	58,425,089	87,360,268	6,529,058,060
Less Accumulated depreciation	(67,516,056)	(716,254,198)	(2,019,177,359)	(1,740,925,241)	(123,729,661)	(43,811,728)	-	(4,711,414,243)
Net book amount	145,312,574	263,688,132	1,040,380,401	236,627,222	29,661,859	14,613,361	87,360,268	1,817,643,817

Depreciation charges of Baht 320,650,113 (2019: Baht 292,090,898) were included in the costs of sales and services, Baht 22,230,921 (2019: Baht 20,431,942) in administrative expenses for the consolidated statements of comprehensive income.

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	Separate financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles and installation Baht	Asset under construction Baht	
As at 1 October 2018								
Cost	205,368,890	881,062,046	2,506,211,768	1,783,089,770	110,577,688	63,659,936	154,391,345	5,704,361,443
Less Accumulated depreciation	(53,052,198)	(620,403,766)	(1,662,030,062)	(1,563,799,470)	(80,513,055)	(43,394,743)	-	(4,023,193,294)
Net book amount	152,316,692	260,658,280	844,181,706	219,290,300	30,064,633	20,265,193	154,391,345	1,681,168,149
Year ended 30 September 2019								
Opening net book amount	152,316,692	260,658,280	844,181,706	219,290,300	30,064,633	20,265,193	154,391,345	1,681,168,149
Additions	4,410,632	20,972,545	95,766,067	107,801,108	12,909,104	5,013,411	130,405,286	377,278,153
Disposals, net	-	(1,533,287)	(7,476,471)	(469,793)	(82,308)	(433,080)	(5,065,633)	(15,060,572)
Writes-off, net	(8,593)	(496,282)	(654,218)	(1,305,204)	(90,926)	-	-	(2,555,223)
Transferred from investment property (Note 14)	-	1,739	-	-	-	-	-	1,739
Transferred to investment property (Note 14)	-	(3,831)	-	-	-	-	-	(3,831)
Transfers in (out)	-	7,234,120	118,320,861	12,353,258	24,650	-	(137,932,889)	-
Depreciation charges	(7,436,293)	(38,136,458)	(148,145,171)	(86,144,576)	(12,419,105)	(7,290,786)	-	(299,572,389)
Closing net book amount	149,282,438	248,696,826	901,992,774	251,525,093	30,406,048	17,554,738	141,798,109	1,741,256,026
As at 1 October 2019								
Cost	209,593,316	902,690,651	2,637,622,349	1,878,350,546	118,856,536	64,995,501	141,798,109	5,953,907,008
Less Accumulated depreciation	(60,310,878)	(653,993,825)	(1,735,629,575)	(1,626,825,453)	(88,450,488)	(47,440,763)	-	(4,212,650,982)
Net book amount	149,282,438	248,696,826	901,992,774	251,525,093	30,406,048	17,554,738	141,798,109	1,741,256,026

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	Separate financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles and installation Baht	Asset under construction Baht	
Year ended 30 September 2020								
Opening net book amount	149,282,438	248,696,826	901,992,774	251,525,093	30,406,048	17,554,738	141,798,109	1,741,256,026
Additions	3,141,140	11,437,387	143,166,550	60,613,253	10,908,693	2,558,499	112,255,299	344,080,821
Disposals, net	-	(138,998)	(4,433,938)	(517,455)	(58,835)	(38)	-	(5,149,264)
Writes-off, net	(1)	(1)	(189,863)	(1,146,436)	(62,006)	-	-	(1,398,307)
Transferred from investment property (Note 14)	-	162,894	-	-	-	-	-	162,894
Transfers in (out)	108,000	42,272,783	109,099,565	14,181,592	1,708,950	-	(167,370,890)	-
Depreciation charges	(7,763,134)	(40,402,270)	(167,930,762)	(91,721,444)	(14,747,986)	(6,668,219)	-	(329,233,815)
Closing net book amount	144,768,443	262,028,621	981,704,326	232,934,603	28,154,864	13,444,980	86,682,518	1,749,718,355
As at 30 September 2020								
Cost	212,284,499	956,384,292	2,846,959,316	1,938,720,362	128,910,928	54,880,640	86,682,518	6,224,822,555
Less Accumulated depreciation	(67,516,056)	(694,355,671)	(1,865,254,990)	(1,705,785,759)	(100,756,064)	(41,435,660)	-	(4,475,104,200)
Net book amount	144,768,443	262,028,621	981,704,326	232,934,603	28,154,864	13,444,980	86,682,518	1,749,718,355

Depreciation charges of Baht 307,817,610 (2019: Baht 279,862,498) were included in the costs of sales and services, Baht 21,416,205 (2019: Baht 19,709,891) in administrative expenses for the separate statements of comprehensive income.

16 Computer software, net

	Consolidated financial statements Baht	Separate financial statements Baht
As at 1 October 2018		
Cost	86,510,287	56,545,065
<u>Less</u> Accumulated amortisation	<u>(53,714,647)</u>	<u>(29,400,592)</u>
Net book amount	32,795,640	27,144,473
For the year ended 30 September 2019		
Opening net book amount	32,795,640	27,144,473
Additions	15,701,298	15,475,298
Disposals, net	(11,712)	(11,712)
Amortisation charges	<u>(5,987,385)</u>	<u>(4,849,723)</u>
Closing net book amount	42,497,841	37,758,336
As at 1 October 2019		
Cost	102,196,584	72,005,363
<u>Less</u> Accumulated amortisation	<u>(59,698,743)</u>	<u>(34,247,027)</u>
Net book amount	42,497,841	37,758,336
For the year ended 30 September 2020		
Opening net book amount	42,497,841	37,758,336
Additions	16,122,283	13,502,883
Amortisation charges	<u>(8,246,547)</u>	<u>(7,025,041)</u>
Closing net book amount	50,373,577	44,236,178
As at 30 September 2020		
Cost	118,318,867	85,508,246
<u>Less</u> Accumulated amortisation	<u>(67,945,290)</u>	<u>(41,272,068)</u>
Net book amount	50,373,577	44,236,178

Amortisation charges of Baht 808,522 (2019: Baht 732,423) were included in the costs of sales and services and Baht 7,438,025 (2019: Baht 5,254,962) in administrative expenses for the consolidated statement of comprehensive income.

Amortisation charges of Baht 7,025,041 (2019: Baht 4,849,723) were included in the administrative expenses for the separate statement of comprehensive income.

17 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities was as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
The Company and subsidiary with net deferred tax asset position				
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	2,414,329	4,878,066	2,395,606	4,877,052
Deferred tax assets to be recovered after 12 months	65,227,927	50,457,546	60,607,211	45,321,272
	67,642,256	55,335,612	63,002,817	50,198,324
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(1,351,018)	(1,358,598)	(1,327,837)	(1,335,767)
Deferred tax liabilities to be settled after 12 months	(100,995)	(3,238,172)	(52,492)	(3,166,534)
	(1,452,013)	(4,596,770)	(1,380,329)	(4,502,301)
Deferred income taxes, net (assets)	66,190,243	50,738,842	61,622,488	45,696,023
Subsidiary with net deferred tax liability position				
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	892	233,298	-	-
Deferred tax assets to be recovered after 12 months	1,462,721	975,488	-	-
	1,463,613	1,208,786	-	-
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(62,877)	(19,003)	-	-
Deferred tax liabilities to be settled after 12 months	(1,731,842)	(1,802,272)	-	-
	(1,794,719)	(1,821,275)	-	-
Deferred income taxes, net (liabilities)	(331,106)	(612,489)	-	-

Deferred tax assets and liabilities in the statements of financial position are presented at net position of deferred tax assets or liabilities incurred by each entity of the Group. Deferred tax assets and liabilities are offset where the income taxes relate to the same tax authority, being the Revenue Department.

The movements of deferred income taxes during the years were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Net deferred taxes (assets):				
Opening balance	50,738,842	40,237,702	45,696,023	36,795,953
Recognised to profit or loss	2,404,917	9,977,290	3,575,587	8,437,105
Recognised to other comprehensive income	13,046,484	523,850	12,350,878	462,965
Closing balance	66,190,243	50,738,842	61,622,488	45,696,023
Net deferred taxes (liabilities)				
Opening balance	(612,489)	(949,036)	-	-
Recognised to profit or loss	(156,558)	245,155	-	-
Recognised to other comprehensive income	437,941	91,392	-	-
Closing balance	(331,106)	(612,489)	-	-

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The deferred taxation relates to the temporary differences between the book values and the tax bases of significant assets and liabilities of the Group were summarised below:

	Consolidated financial statements			
	As at 1 October 2019 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2020 Baht
Deferred income tax assets				
Receivables and other assets	4,543,553	(695,275)	-	3,848,278
Provisions and accruals	51,889,879	668,875	12,587,872	65,146,626
	56,433,432	(26,400)	12,587,872	68,994,904
Deferred income tax liabilities				
Available-for-sale investments	(365,663)	-	896,554	530,891
Equipment under finance leases	(5)	-	-	(5)
Plant and equipment	(5,941,411)	2,274,758	-	(3,666,653)
	(6,307,079)	2,274,758	896,554	(3,135,767)
Deferred income tax, net	50,126,353	2,248,358	13,484,426	65,859,137
	Consolidated financial statements			
	As at 1 October 2018 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2019 Baht
Deferred income tax assets				
Receivables and other assets	5,637,428	(1,093,875)	-	4,543,553
Provisions and accruals	41,203,371	9,672,824	1,013,684	51,889,879
	46,840,799	8,578,949	1,013,684	56,433,432
Deferred income tax liabilities				
Available-for-sale investments	32,779	-	(398,442)	(365,663)
Equipment under finance leases	(104,233)	104,228	-	(5)
Plant and equipment	(7,480,679)	1,539,268	-	(5,941,411)
	(7,552,133)	1,643,496	(398,442)	(6,307,079)
Deferred income tax, net	39,288,666	10,222,445	615,242	50,126,353

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	Separate financial statements			
	As at 1 October 2019 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2020 Baht
Deferred tax assets				
Receivable and other assets	4,543,553	(695,275)	-	3,848,278
Provisions and accruals	45,654,771	2,045,444	11,454,324	59,154,539
	50,198,324	1,350,169	11,454,324	63,002,817
Deferred tax liabilities				
Available-for-sale investments	(365,663)	-	896,554	530,891
Equipment under finance leases	(5)	-	-	(5)
Plant and equipment	(4,136,633)	2,225,418	-	(1,911,215)
	(4,502,301)	2,225,418	896,554	(1,380,329)
Deferred income tax, net	45,696,023	3,575,587	12,350,878	61,622,488
	Separate financial statements			
	As at 1 October 2018 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2019 Baht
Deferred tax assets				
Receivable and other assets	5,637,427	(1,093,874)	-	4,543,553
Provisions and accruals	36,904,680	7,888,684	861,407	45,654,771
	42,542,107	6,794,810	861,407	50,198,324
Deferred tax liabilities				
Available-for-sale investments	32,779	-	(398,442)	(365,663)
Equipment under finance leases	(104,233)	104,228	-	(5)
Plant and equipment	(5,674,700)	1,538,067	-	(4,136,633)
	(5,746,154)	1,642,295	(398,442)	(4,502,301)
Deferred income tax, net	36,795,953	8,437,105	462,965	45,696,023

As at 30 September 2020, the Group only recognised those deferred tax assets that in the management's judgement were likely to be realised, due to the historical operating profits generated by the operations of the entities within the Group. This is disclosed in the note regarding the gross deferred and income taxes to enable users of the financial statements to understand the nature of the movements in this balance.

As at 30 September 2020, the Group has no tax loss carried forward.

Under the Thai Revenue Code, all entities are taxed as separate entities with no relief available for the Group.

18 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade payables - related companies (Note 26)	180,974,045	236,084,546	182,026,544	237,601,209
Trade payables - other companies	345,210,727	486,797,934	342,930,462	479,201,375
Amounts due to related parties (Note 26)	1,253,443	787,124	12,727,520	39,469,792
Accrued expenses	104,418,767	192,225,321	94,159,991	169,142,002
Down payments received from customers	1,373,093	1,476,634	1,373,093	1,476,634
Other payables	68,295,506	73,734,514	67,611,239	71,215,398
Trade and other payables	701,525,581	991,106,073	700,828,849	998,106,410

Outstanding accrued expenses as at 30 September 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Accrued bonuses	80,940,985	162,596,912	72,668,913	145,282,273
Accrued employee income taxes	5,068,205	9,032,333	4,382,099	7,375,513
Accrued employee welfare	7,866,843	6,191,804	7,866,843	6,191,804
Other accruals	10,542,734	14,404,272	9,242,136	10,292,412
Accrued expenses	104,418,767	192,225,321	94,159,991	169,142,002

19 Employee benefit obligations

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salaries in the final years leading up to retirement.

The movements in the obligations over the years were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Beginning balances	260,550,489	207,176,072	228,820,114	185,127,774
Current service cost	19,780,385	15,182,022	17,741,149	13,666,356
Interest cost	7,382,350	5,788,684	6,590,407	5,162,382
Past service cost	-	57,902,143	-	50,896,141
Remeasurements on employee benefit obligations:				
Loss from change in financial assumptions	42,860,397	8,361,569	38,801,776	7,317,705
Experience gain	20,078,962	(3,293,150)	18,469,846	(3,010,668)
	350,652,583	291,117,340	310,423,292	259,159,690
<u>Add</u> Additional provisions from transfer of employees	-	-	7,560,473	-
<u>Less</u> Benefits paid during the year	(23,855,850)	(30,566,851)	(21,702,303)	(30,339,576)
At 30 September	326,796,733	260,550,489	296,281,462	228,820,114

The amounts recognised in the statements of financial position were determined as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Present value of obligations	263,857,374	197,579,927	239,009,840	173,616,936
Past service cost	-	57,902,143	-	50,896,141
Remeasurements	62,939,359	5,068,419	57,271,622	4,307,037
Total	326,796,733	260,550,489	296,281,462	228,820,114

The amounts recognised in profit or loss were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current service cost	19,780,385	15,182,022	17,741,149	13,666,356
Interest cost	7,382,350	5,788,684	6,590,406	5,162,382
Past service cost	-	57,902,143	-	50,896,141
Additional provisions from transfer of employees	-	-	7,560,474	-
Total	27,162,735	78,872,849	31,892,029	69,724,879

The amounts recognised in other comprehensive income were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Loss from change in financial assumptions	42,860,397	8,361,569	38,801,776	7,317,705
Experience gain	20,078,962	(3,293,150)	18,469,846	(3,010,668)
Total	62,939,359	5,068,419	57,271,622	4,307,037

Expense of Baht 21,823,525 (2019: Baht 63,288,191) was included in the costs of sales and services, Baht 5,339,210 (2019: Baht 15,584,658) was included in administrative expenses for the consolidated statement of comprehensive income.

Expense of Baht 26,584,840 (2019: Baht 54,385,453) was included in the costs of sales and services, Baht 5,307,189 (2019: Baht 15,339,426) was included in administrative expenses for the separate statement of comprehensive income.

The Group accounts for these liabilities on an estimated basis using the following principal actuarial assumptions:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.75%	2.75%	1.75%	2.75%
Future salary increase rates	6.00% - 6.50%	5.00% - 7.00%	6.00% - 6.50%	5.00% - 7.00%
Other fixed allowance rate	1.75%	1.75%	1.75%	1.75%
1 Baht Gold price	Baht 21,500	Baht 20,000	Baht 21,500	Baht 20,000
Gold Inflation rate	3.00%	3.00%	3.00%	3.00%
Retirement age	58 years old	58 years old	58 years old	58 years old

The sensitivity analysis for each significant assumption disclosed in 2020 were as follows:

	Consolidated financial statement		
	Change in assumptions	Impact on employee benefit obligations	
		Change in the obligations (%)	Change in the obligations (Baht)
Discount rate	Increased by 0.5%	Decreased by 6%	Decreased by Baht 20,055,306
	Decreased by 0.5%	Increased by 7%	Increased by Baht 21,923,780
Future salary increase rate	Increased by 1%	Increased by 13%	Increased by Baht 41,122,122
	Decreased by 1%	Decreased by 11%	Decreased by Baht 35,018,377
1 Baht Gold price	Increased by Baht 1,000	Increased by 0.4%	Increased by Baht 1,033,906
	Decreased by Baht 1,000	Decreased by 0.4%	Decreased by Baht 1,133,928
	Separate financial statement		
	Change in assumptions	Impact on employee benefit obligations	
		Change in the obligations (%)	Change in the obligations (Baht)
Discount rate	Increased by 0.5%	Decreased by 6%	Decreased by Baht 17,488,327
	Decreased by 0.5%	Increased by 6%	Increased by Baht 19,108,446
Future salary increase rate	Increased by 1%	Increased by 12%	Increased by Baht 35,670,162
	Decreased by 1%	Decreased by 10%	Decreased by Baht 30,394,811
1 Baht Gold Price	Increased by Baht 1,000	Increased by 0.4%	Increased by Baht 1,049,744
	Decreased by Baht 1,000	Decreased by 0.4%	Decreased by Baht 1,049,774

The above sensitivity analysis were 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 of calculating the retirement benefit obligation recognised within the statements of financial position at the end of the reporting period (present value of the defined benefit obligation calculated with the projected unit credit method).

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

The weighted average duration of the retirement benefit obligation was 12.52 years.

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Less than a year	3,839,420	16,980,660	3,741,339	15,348,026
Between 1 - 5 years	45,228,523	32,868,201	44,240,671	32,409,767
Over 5 years	365,808,962	357,094,041	318,073,986	311,931,085
	414,876,905	406,942,902	366,055,996	359,688,878

20 Share capital and premium on share capital

	Consolidated and Separate financial statements			
	Number of shares	Ordinary shares	Share premium	Total
	shares	Baht	Baht	Baht
As at 1 October 2018	200,000,000	200,000,000	298,000,000	498,000,000
Issue of shares	-	-	-	-
As at 30 September 2019	200,000,000	200,000,000	298,000,000	498,000,000
Treasury shares (Note 22)	(7,792,300)	(114,011,638)	-	(114,011,638)
As at 30 September 2020	192,207,700	85,988,000	298,000,000	85,988,361.86

As at 30 September 2020, the total number of registered ordinary shares was 200 million shares (2019: 200 million shares) with a par value of Baht 1 per share (201: Baht 1 per share). All issued shares are fully paid.

21 Legal reserve

Under the Public Companies Act, B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of profit derived from the business of the Company after accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital. This reserve is non-distributable.

In consolidated financial statements, legal reserve of subsidiaries included in unappropriated retained earnings.

22 Treasury shares

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

At the Board of Directors Meeting no. 8/2019 of the Company held on 22 November 2019, the meeting unanimously passed a resolution approving the share repurchase project for financial management purpose with amount not exceeding Baht 118 million, approximately represents 8 million shares or 4% of the total issued shares. The Company repurchases the ordinary shares via main board of the Stock Exchange of Thailand within 6 months, during the period from 9 December 2019 to 5 June 2020. Treasury share has to be resold after 6 months but no later than 3 years from the completion date of share repurchases. The payment for treasury shares presented as reduction in equity in the statement of financial position

As at 5 June 2020, the share repurchase project for financial management purpose had been completed. The Company had total treasury shares of Baht 114,011,638 for repurchased share of 7,792,300 shares, represents 3.9% of the Company's total issued shares.

23 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Raw materials and consumables used	1,862,670,323	2,596,791,785	1,855,795,533	2,575,503,678
Changes in inventories of finished goods and work in progress	(47,056,545)	(5,718,840)	(46,706,984)	(3,246,878)
Depreciation charges (Notes 14 and 15)	342,885,633	312,541,137	329,267,671	299,619,752
Amotisation charges (Note 16)	8,246,547	5,987,385	7,025,041	4,849,723
Staff costs	723,066,131	966,064,204	655,374,228	866,958,020
Advertising and promotion expenses	24,199,222	21,861,885	24,199,222	21,861,885
Rental expenses	4,808,544	7,021,646	1,559,712	3,937,426
Purchases of finished goods	602,430,345	724,732,127	586,915,756	705,216,899
Utility expenses	133,950,577	156,085,903	126,937,760	147,818,037
Transportation expenses	60,869,849	77,744,397	60,603,836	76,944,141
Repair and maintenance expenses	100,227,004	119,923,450	97,496,904	114,456,503
Professional fees	38,109,261	48,927,908	37,778,419	48,485,690
Insurance premiums	14,429,571	15,629,608	13,989,695	15,156,169

24 Income tax expenses

Income tax expenses for the years ended 30 September 2020 and 2019 were summarised below:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current income tax	47,509,668	40,613,741	45,618,502	38,242,503
Deferred income tax (Note 17)	(2,248,359)	(10,222,445)	(3,575,587)	(8,437,105)
Income tax expenses	45,261,309	30,391,296	42,042,915	29,805,398

Reconciliation of income tax expenses and the results of accounting profit using the basic tax rate of the year was presented as below:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Profit before income tax expenses	264,324,159	196,933,761	266,252,034	197,597,696
Tax calculated at statutory tax rates of 20%	52,864,832	39,386,752	53,250,407	39,519,539
Impact:				
Income not subjected to tax and expenses that are deductible at a greater amount	(6,648,662)	(5,965,649)	(9,861,172)	(7,745,355)
Expenses not deductible for tax purpose	1,172,861	379,514	1,055,961	275,137
Additional income subjected to tax	321,303	50,801	321,303	50,801
Utilisation of previously unrecognised tax losses	-	(275,732)	-	-
Profit from promoted activities which exempt from payment of corporate income tax	(2,667,343)	(3,247,078)	(2,839,394)	(2,357,412)
Tax losses for which no deferred income tax asset was recognised	102,508	-	-	-
Adjustment in respect of prior year	115,810	62,688	115,810	62,688
Income tax expenses	45,261,309	30,391,296	42,042,915	29,805,398

The tax relating to component of other comprehensive income was as follows:

	Consolidated financial statements					
	2020			2019		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Fair value change in available-for-sale investments	(4,482,770)	896,554	(3,586,216)	(1,992,209)	398,442	(1,593,767)
Remeasurements of employee benefit obligations	(62,939,359)	12,587,872	(50,351,487)	5,068,419	(1,013,684)	4,054,735
	(67,422,129)	13,484,426	(53,937,703)	3,076,210	(615,242)	2,460,968
	Separate financial statements					
	2020			2019		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Fair value change in available-for-sale investments	(4,482,770)	896,554	(3,586,216)	(1,992,209)	398,442	(1,593,767)
Remeasurements of employee benefit obligations	(57,271,622)	11,454,324	(45,817,298)	4,307,037	(861,407)	3,445,630
	(61,754,392)	12,350,878	(49,403,514)	2,314,828	(462,965)	1,851,863

25 Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the owner of the parent company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net profit attributable to the owners of the parent company (Baht)	219,062,878	166,541,961	224,209,119	167,792,298
Weighted average number of ordinary shares outstanding (shares)	195,686,863	200,000,000	195,686,863	200,000,000
Basic earnings per share (Baht per share)	1.12	0.83	1.15	0.84

There were no dilutive potential ordinary shares in issue during the years presented.

26 Related party transactions

Individuals and entities that directly, or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

The Company's major shareholders are the Leeissaranukuls group in proportion of 39.36% and Inoue Rubber Company Limited, which is incorporated and domiciled in Japan, in proportion of 35.69%. The remaining 24.95% of the shares are widely held.

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

During the year, the Group and the Company entered into several transactions with its subsidiaries and related parties. The terms and basis of such transactions were negotiated between the parties in the ordinary course of business and according to normal trade conditions.

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	Terms and basis
Sales of goods	Market price or cost plus margin according to type of products
Service income	Cost plus margin
Rental income	Contract price which is in line with market
Purchases of raw materials and metal molds	Prices which approximate to the price charged to a third party
Research and development expenses	Prices as agreed in the contract which is near to the market price
Technical assistance fee expenses	Prices as agreed in the contract based on percentage of sales
Advertising expenses	Prices which approximate to the price charged nearly to the market price
Utility expenses	Price as agreed to the price charged by a third party
Employee service sharing expenses	Prices which approximate to the price charged to a third party

The significant related party transactions for the years ended 30 September 2020 and 2019 were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Sales of goods				
Subsidiaries	-	-	15,595,401	19,515,228
Related parties	1,952,187,394	2,356,203,316	1,950,570,204	2,355,048,001
	1,952,187,394	2,356,203,316	1,966,165,605	2,374,563,229
Services income				
Related parties	13,786,361	12,123,267	13,786,361	12,123,267
Rental income (Note 14)				
Subsidiaries	-	-	3,224,004	3,084,220
Related parties	1,386,000	1,460,000	1,386,000	1,460,000
	1,386,000	1,460,000	4,610,004	4,544,220
Dividend income (Note 12, 13)				
Subsidiaries	-	-	16,999,690	9,999,744
Related party	22,102,083	-	22,102,083	-
	22,102,083	-	39,101,773	9,999,744
Purchases of raw materials				
Related parties	663,852,651	760,060,693	663,852,651	760,060,693
Purchases of metal molds				
Subsidiary	-	-	26,927,200	57,811,400
Related parties	39,086,386	16,133,690	39,086,386	16,133,690
	39,086,386	16,133,690	66,013,586	73,945,090
Research and development expenses				
Subsidiary	-	-	96,426,297	114,873,531
Related party	1,338,119	1,688,634	-	-
	1,338,119	1,688,634	96,426,297	114,873,531
Technical assistance fee expenses				
Related parties	69,643,264	68,124,973	69,643,264	68,124,973
Advertising expenses				
Related parties	10,525,000	7,225,000	10,525,000	7,225,000
Utility expenses				
Related party	403,723	411,152	403,723	411,152
Employee service sharing expenses				
Subsidiary	-	-	800,000	1,651,200

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The Company entered into rental agreements of land, building, and machinery and equipment with two subsidiaries and two related companies at total annual rental income of approximately Baht 4.6 million. The terms of the leases are between 1 - 3 years. These leases are renewable by giving the lessor a notice within 60 days prior to expiry of the agreement.

The Company charged certain utility expenses to certain related companies at which approximate to the price charged to a third party.

The Company and a subsidiary entered into marketing and sales cooperation and product quality assurance and quality control service agreements with a local related company. Under these agreements the Company and the subsidiary have obliged to pay service fees to such company at the rate as stipulated in the agreements. The agreements have been in effect since May 2009 until cancelled by either party.

The Company entered into a service agreement with a subsidiary to obtain employee service sharing. Under this agreement, the Company has obliged to pay service fee to the subsidiary at the rate stipulated in the agreement. The agreement is effective for a period of 1 year which commenced from February 2019.

The Company entered into a service agreement with a subsidiary to obtain the research and development services for the production. Under this agreement, the Company has obliged to pay service fee to the subsidiary at the rate stipulated in the agreement. The agreement is effective for a period of 1 year which commenced from May 2019.

The Company entered into professional service agreements with a local related company to provide the professional services at total annual services income of approximately Baht 11.67 million. The service fees will be reviewed mutually by both parties in June of a year. The agreement is effective for a period of 1 year which commenced from June 2019.

The outstanding balances as at 30 September 2020 and 2019 between the Company and those related companies were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables				
Subsidiaries	-	-	2,596,389	4,887,460
Related companies	406,335,696	500,872,818	406,335,697	500,872,818
Total trade receivables	406,335,696	500,872,818	408,932,086	505,760,278
Amounts due from related parties				
Subsidiaries	-	-	1,292,435	1,855,630
Related companies	1,405,924	1,421,941	1,405,924	1,421,941
Total amounts due from related parties	1,405,924	1,421,941	2,698,359	3,277,571
Trade payables				
Subsidiaries	-	-	1,056,410	1,532,775
Related companies	180,974,045	236,084,546	180,970,134	236,068,434
Total trade payables	180,974,045	236,084,546	182,026,544	237,601,209
Amounts due to related parties				
Subsidiaries	-	-	12,179,877	39,388,468
Related companies	1,253,443	787,124	547,643	81,324
Total amounts due to related parties	1,253,443	787,124	12,727,520	39,469,792

Directors' and key management's remunerations

The Company and its subsidiaries had the compensation paid or payable to their key directors and management for the years ended 30 September 2020 and 2019 as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Salaries and short-term employee benefits	63,389,451	65,285,697	63,389,451	65,285,697
Post-employee benefits	852,526	4,936,052	852,526	4,936,052
Other long-term employee benefits	1,184,940	1,185,688	1,184,940	1,185,688
	65,426,917	71,407,437	65,426,917	71,407,437

27 Promotional privileges

The Company and its subsidiary have been granted promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment. Under certain significant conditions, significant privileges are as follows:

Details	Inoue Rubber (Thailand) Public Company Limited	Kin No Hoshi Engineering Company Limited
1. Certificate No. Dated	2277(1)/2554 27 April 2010	1302(1)/2555 13 February 2012
2. Promotional privileges for	Manufacturing of tire products	Manufacturing of molds and repairing of its own manufactured molds
3. The significant privileges are		
3.1 Exemption of corporate income tax for net income from promotional operations and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.	8 years	8 years
3.2 Allowance for carry-forward of annual loss from operations incurred during the exemption of corporate income tax on net income to offset with net income for a period of 5 years, after exemption period in 3.1.	Granted	Granted
3.3 Exemption/Reduction of import duty on machinery as approved by the Board.	Granted	Granted
3.4 Exemption of import duty on raw materials and significant supplies used in export production from the first import date.	Granted	None
3.5 50% reduction of corporate income tax rate for net income from promotional operations for a period of 5 years, after exemption period in 3.1.	Granted	Granted
4. Date of first earning operating income	1 October 2012	31 October 2012

Sales of the Group are both export and local sales which could be separated between promoted and non-promoted operations as follows:

	Consolidated financial statements					
	BOI		non-BOI		Total	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Sales						
Export	82,285,592	68,834,823	1,086,642,410	1,359,213,644	1,168,928,002	1,428,048,467
Local	44,065,002	54,594,963	3,151,115,570	3,946,999,293	3,195,180,572	4,001,594,256
	126,350,594	123,429,786	4,237,757,980	5,306,212,937	4,364,108,574	5,429,642,723
	Separate financial statements					
	BOI		non - BOI		Total	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Sales						
Export	82,285,593	68,834,823	1,085,252,963	1,358,919,932	1,167,538,556	1,427,754,755
Local	44,065,002	54,594,963	3,150,079,541	3,944,748,434	3,194,144,543	3,999,343,397
	126,350,595	123,429,786	4,235,332,504	5,303,668,366	4,361,683,099	5,427,098,152

28 Dividends paid

At the Annual General Meeting of shareholders for 2020 of the Company held on 29 January 2020, the shareholders passed a resolution approving dividend payment from its operating results for 2019 at Baht 0.4164 per share (Baht 0.0590 from BOI-promoted operations and Baht 0.3574 per share from non-BOI promoted operations), amounting to a total dividend of Baht 83.20 million. The dividends were distributed to shareholders on 28 February 2020.

At the Annual General Meeting of shareholders for 2019 of the Company held on 29 January 2019, the shareholders passed a resolution approving dividend payment from its operating results for 2018 at Baht 0.8965 per share (Baht 0.1217 per share from BOI-promoted operations and Baht 0.7748 per share from non-BOI promoted operations), amounting to a total dividend of Baht 179.30 million. The dividends were distributed on 28 February 2019.

29 Commitments

29.1 Operating lease commitments

The Group has entered into several non-cancellable operating lease agreements in respect of billboard space, building area, accommodation for employees, motor vehicles and office equipment with lease term of 1 - 3 years.

As at 30 September 2020 and 2019, the Group had future minimum lease payments required under these non-cancellable operating lease agreements as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Within 1 year	947,270	1,123,990	947,270	1,123,990
Later than 1 year but not later than 3 years	231,990	486,340	231,990	486,340
Total	1,179,260	1,610,330	1,179,260	1,610,330

29.2 Letters of guarantee

As at 30 September 2020, the Company had outstanding letters of guarantee issued by financial institutions of approximately Baht 20.62 million (2019: Baht 20.62 million) to the Provincial Electricity Authority for electricity consumption on behalf of the Company and Baht 0.32 million (2019: Baht 0.31 million) for the due fulfillment by the Company of the terms and conditions in respect of grant of Certification Mark License by the licensor.

The guarantees are issued in the ordinary course of business. No liabilities are expected to arise from the above guarantees.

29.3 Operating commitments

The Company entered into agreements for technical assistance in production with foreign related companies. Under the agreements, the Company has obliged to pay technical assistance fees at the rates as stipulated in the agreements.

29.4 Financial instruments

The Group entered into foreign exchange forward contracts in order to manage exposure to fluctuations in foreign currency exchange rates for specific transactions.

Foreign exchange forward contracts outstanding at 30 September 2020 and 2019 were summarised as follows:

Foreign currency	Consolidated and Separate financial statements			
	2020		2019	
	Sold amount Million	Bought amount Million	Sold amount Million	Bought amount Million
US Dollars	2.71	0.2	2.56	2.02
Japanese Yen	57.28	119.68	105.27	173.69
Euro	-	-	0.04	0.35
Net fair values				

The net fair values of the open forward foreign exchange contracts as at 30 September 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Favourable forward foreign exchange contracts (gain)	-	-	-	-
Unfavourable forward foreign exchange contracts (loss)	(983,113)	(1,688,678)	(983,113)	(1,688,678)
Net	(983,113)	(1,688,678)	(983,113)	(1,688,678)

The fair values of foreign exchange forward contracts have been calculated using market price rates quoted by the Group's banks as if such forward contracts were to be terminated the contracts at the financial position date.

These fair values are within level 2 of the fair value hierarchy (Note 4.3).

At 30 September 2020 and 2019, the Group had outstanding foreign currency assets and liabilities as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Million	Million	Million	Million
Assets				
US Dollars	2.89	3.79	2.88	3.79
Japanese Yen	91.73	105.27	91.73	105.27
Euro	-	0.03	-	0.03
Liabilities				
US Dollars	0.89	1.92	0.89	1.92
Japanese Yen	119.21	197.60	119.21	197.60

30 Events occurring after the reporting date

On 23 November 2020, the Board of Directors' Meeting of the Company No.8/2020 passed a resolution approving the proposed dividend payment from its operating results for 2020 at Baht 0.5699 per share (Baht 0.0739 per share from BOI-promoted operations and Baht 0.4960 per share from non-BOI promoted operations) to shareholders who are on the register at 9 February 2021, amounting to a total dividend of Baht 109.53 million. The dividend will be distributed on 25 February 2021. The dividend has not been recognized as liability in the financial statements. The dividend payment will later be proposed for approval in the Annual General Meeting of the Company's shareholders.