

AUDITOR'S REPORT

To the Shareholders of Buriram Sugar Public Company Limited

I have audited the accompanying consolidated and company financial statements of Buriram Sugar Public Company Limited and its subsidiaries and of Buriram Sugar Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Buriram Sugar Public Company Limited and its subsidiaries and of Buriram Sugar Public Company Limited as at 31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Prasit Yuengsrikul
Certified Public Accountant (Thailand) No. 4174
PricewaterhouseCoopers ABAS Ltd.

Bangkok
26 February 2015

BURIRAM SUGAR PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2014

Buriram Sugar Public Company Limited
Statement of Financial Position
As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	348,532,521	34,438,054	223,683,992	4,867,890
Trade and other receivables - net	8, 26	302,873,569	93,412,794	255,203,318	46,477,460
Farmer receivables - net	9	770,792,360	1,024,840,798	15,641,446	27,603,618
Inventories - net	10	610,541,403	666,115,232	-	-
Other current assets	11	73,368,417	39,593,191	17,261,650	25,680,748
Total current assets		2,106,108,270	1,858,400,069	511,790,406	104,629,716
Non-current assets					
Available for sale investment		570,520	-	570,520	-
General investments		1,409,950	1,909,950	2,175	502,175
Investment in subsidiaries	12	-	-	1,270,478,100	1,270,478,100
Long-term borrowings to related parties	26	-	-	2,183,190,318	451,409,325
Property, plant and equipment - net	13	3,051,997,385	1,800,305,907	22,238,783	31,774,223
Intangible assets		12,008,156	-	-	-
Deferred tax assets - net	14	211,382,601	234,484,632	12,145,179	13,963,895
Other non-current assets		2,192,630	2,788,638	-	879,481
Total non-current assets		3,279,561,242	2,039,489,127	3,488,625,075	1,769,007,199
Total assets		5,385,669,512	3,897,889,196	4,000,415,481	1,873,636,915

Director _____

Date _____

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Financial Position
As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	16	34,435,771	43,645,574	-	-
Trade and other payables	15, 26	488,659,795	842,601,609	243,334,327	248,118,317
Share payables	26	-	999,400	-	999,400
Short-term borrowings from financial institutions	16	2,174,930,649	1,471,361,222	1,270,000,000	400,000,000
Current portion of long-term borrowings					
from financial institutions	16	159,878,070	85,116,470	-	-
Current portion of finance lease liabilities	16	10,150,845	14,874,495	10,656	1,179,778
Income tax payable		4,308,534	29,632,013	366,326	-
Other current liabilities	17	31,489,127	34,879,250	6,694,068	4,564,921
Total current liabilities		2,903,852,791	2,523,110,033	1,520,405,377	654,862,416
Non-current liabilities					
Long-term borrowings from financial institutions	16	452,901,495	691,907,648	-	-
Finance lease liabilities	16	9,673,567	15,486,033	-	10,656
Employee benefit obligation	18	30,837,042	32,710,569	11,748,599	13,284,077
Total non-current liabilities		493,412,104	740,104,250	11,748,599	13,294,733
Total liabilities		3,397,264,895	3,263,214,283	1,532,153,976	668,157,149

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Financial Position
As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
Notes		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital					
Authorised share capital					
676,750,000 ordinary shares at par value					
of Baht 1 each		676,750,000	676,750,000	676,750,000	676,750,000
Issued and paid-up share capital					
676,750,000 ordinary shares fully paid-up					
of Baht 1 each (31 December 2013):					
507,567,500 ordinary shares fully					
paid-up of Baht 1)	19	676,750,000	507,567,500	676,750,000	507,567,500
Fair value reserve		(347,456)	(417,976)	(347,456)	(417,976)
Premium on ordinary shares		954,665,813	11,504,750	954,665,813	11,504,750
Retained earnings					
Appropriated					
- Legal reserve	21	18,096,416	1,857,898	9,439,650	1,857,898
Unappropriated		338,971,884	114,138,032	827,753,498	684,967,594
		1,988,136,657	634,650,204	2,468,261,505	1,205,479,766
Non-controlling interests		267,960	24,709	-	-
Total shareholders' equity		1,988,404,617	634,674,913	2,468,261,505	1,205,479,766
Total liabilities and shareholders' equity		5,385,669,512	3,897,889,196	4,000,415,481	1,873,636,915

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Revenue from sales and services		3,920,315,008	3,978,866,750	-	1,399,191
Cost of sales and services		(3,089,683,579)	(3,213,044,427)	-	(1,399,191)
Gross profit		830,631,429	765,822,323	-	-
Other income	22	23,920,798	29,933,029	324,396,440	113,038,351
Gain (loss) on foreign exchange rate		9,792,503	(24,242,168)	-	-
Selling expenses		(160,268,155)	(142,849,732)	-	(7,913)
Administrative expenses		(300,595,379)	(261,295,290)	(124,062,311)	(104,731,573)
Finance costs		(117,018,179)	(96,942,265)	(48,556,910)	(8,079,429)
Profit before income tax expense		286,463,017	270,425,897	151,777,219	219,436
Income tax expense	24	(50,153,736)	(64,862,865)	(3,862,318)	3,354,299
Net profit for the year		<u>236,309,281</u>	<u>205,563,032</u>	<u>147,914,901</u>	<u>3,573,735</u>
Other comprehensive income (expense):					
Gain on re-measuring available-for-sale investment, net from deferred tax		70,520	-	70,520	-
Actuarial gain (loss) on defined employee benefit plans, net from deferred tax		5,106,154	(9,291,490)	2,452,755	(4,305,152)
Total comprehensive income (loss) for the year		<u>241,485,955</u>	<u>196,271,542</u>	<u>150,438,176</u>	<u>(731,417)</u>
Profit attributable to:					
Owners of the parent		235,967,740	205,325,996	147,914,901	3,573,735
Non-controlling interests		341,541	237,036	-	-
		<u>236,309,281</u>	<u>205,563,032</u>	<u>147,914,901</u>	<u>3,573,735</u>
Total comprehensive income (loss) attributable to:					
Owners of the parent		241,142,890	196,045,745	150,438,176	(731,417)
Non-controlling interests		343,065	225,797	-	-
		<u>241,485,955</u>	<u>196,271,542</u>	<u>150,438,176</u>	<u>(731,417)</u>
Basis earnings (loss) per share (Baht)					
Net profit (loss) for the year	25	0.44	0.49	0.28	(0.00)

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2014

Consolidated									
Notes	Issued and paid-up share capital Baht	Premium on ordinary shares Baht	Retained earnings		Other components of Shareholders' Equity		Total owners of the parent Baht	Non-controlling interests Baht	Total Baht
			Appropriated Legal reserve Baht	Unappropriated Baht	Fair value reserve Baht				
Opening balance as at 1 January 2014	507,567,500	11,504,750	1,857,898	114,138,032	(417,976)	634,650,204	24,709	634,674,913	
Proceeds from shares issued	19	169,182,500	943,161,063	-	-	1,112,343,563	-	1,112,343,563	
Dividend paid	20	-	-	-	-	-	(100,264)	(100,264)	
Legal reserve	21	-	-	16,238,518	(16,238,518)	-	-	-	
Increase in non-controlling interests		-	-	-	-	-	450	450	
Fair value reserve		-	-	-	-	70,520	70,520	70,520	
Total comprehensive income for the year		-	-	-	241,072,370	-	241,072,370	343,065	
Closing balance as at 31 December 2014		676,750,000	954,665,813	18,096,416	338,971,884	(347,456)	1,988,136,657	267,960	
Opening balance as at 1 January 2013		320,000,000	-	258,579	120,580,495	(417,976)	440,421,098	798,312	
Proceeds from shares issued	19	187,567,500	11,504,750	-	-	-	199,072,250	-	
Dividend paid	20	-	-	-	(200,888,889)	-	(200,888,889)	-	
Legal reserve	21	-	-	1,599,319	(1,599,319)	-	-	-	
Decrease in non-controlling interests		-	-	-	-	-	(999,400)	(999,400)	
Total comprehensive income for the year		-	-	-	196,045,745	-	196,045,745	225,797	
Closing balance as at 31 December 2013		507,567,500	11,504,750	1,857,898	114,138,032	(417,976)	634,650,204	24,709	

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2014

		Company					
		Issued and Paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of	
				Appropriated	Unappropriated	Shareholders' Equity	
				Legal reserve		Fair value reserve	
Notes		Baht	Baht	Baht	Baht	Baht	Total Baht
Opening balance as at 1 January 2014		507,567,500	11,504,750	1,857,898	684,967,594	(417,976)	1,205,479,766
	19	169,182,500	943,161,063	-	-	-	1,112,343,563
	21	-	-	7,581,752	(7,581,752)	-	0
		-	-	-	-	70,520	70,520
		-	-	-	150,367,656	-	150,367,656
Closing balance as at 31 December 2014		676,750,000	954,665,813	9,439,650	827,753,498	(347,456)	2,468,261,505
Opening balance as at 1 January 2013		320,000,000	-	258,579	888,187,219	(417,976)	1,208,027,822
	19	187,567,500	11,504,750	-	-	-	199,072,250
	20	-	-	-	(200,888,889)	-	(200,888,889)
	21	-	-	1,599,319	(1,599,319)	-	0
		-	-	-	(731,417)	-	(731,417)
Closing balance as at 31 December 2013		507,567,500	11,504,750	1,857,898	684,967,594	(417,976)	1,205,479,766

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2014

	Notes	Consolidated		Company	
		2014	2013	2014	2013
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before corporate income tax for the year		286,463,017	270,425,897	151,777,219	219,436
Adjustments to reconcile profit before corporate income tax to net cash provided by operations:					
- Depreciation and amortisation		93,128,031	65,459,901	3,540,819	4,471,659
- (Recovery of) allowance for doubtful accounts	9	(721,606)	16,718,512	(58,999)	12,384,250
- Allowance for decreasing in value		569,868	39,003,387	-	-
- Employee benefits obligation		3,232,627	2,669,847	917,277	1,000,142
- Financial costs		117,018,179	96,942,265	48,556,910	8,079,429
- Interest income	22	(3,850,748)	(4,142,107)	(70,065,260)	(14,526,175)
- Dividend income	22	(153,510)	-	(141,049,735)	-
- Recovery of provision of investment		-	(81,751)	-	(81,751)
- Loss on write off property, plant and equipment		7,586,465	4,996,467	7,461,231	4,970,320
- (Gain) loss on sale property, plant and equipment		(495,325)	477,992	(495,325)	477,992
Cash flows before changes in operating assets and liabilities		502,776,998	492,470,410	584,137	16,995,302
Operating assets and liabilities (increase) decrease					
- Trade and other receivables		(209,460,775)	(23,659,937)	(54,696,930)	(20,144,724)
- Farmer receivables		254,770,044	(160,076,522)	12,021,171	19,447,335
- Inventories		55,003,961	(78,656,631)	-	1,399,191
- Other current assets		(33,775,226)	(3,802,756)	8,419,098	(4,366,174)
- Other non-current asset		596,008	(1,909,158)	879,481	(1)
- Trade and other payables		(352,700,133)	123,158,237	(2,536,259)	(12,610,012)
- Other current liabilities		(3,390,123)	7,505,503	2,129,147	2,383,563
Cash generated from operating activities		213,820,754	355,029,146	(33,200,155)	3,104,480
- Income tax paid		(52,375,184)	(80,791,481)	(1,677,277)	(12,354,499)
- Interest paid		(118,360,125)	(96,834,457)	(50,804,641)	(6,666,078)
Net cash generated from (used in) operating activities		43,085,445	177,403,208	(85,682,073)	(15,916,097)

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
Notes		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		3,850,748	4,142,107	57,094,574	1,689,549
Dividend received		153,510	-	-	-
Long-term borrowings to related parties		-	-	(1,731,789,499)	(327,590,000)
Proceeds from sale general investment		-	-	-	1,407,775
Proceeds from sale property, plant and equipment		514,954	2,383,178	514,954	2,383,178
Purchases of property, plant and equipment		(1,359,333,112)	(720,558,337)	(1,486,239)	(1,873,126)
Net cash used in investing activities		(1,354,813,900)	(714,033,052)	(1,675,666,210)	(323,982,624)
Cash flows from financing activities					
Increase in short-term borrowings	16	694,359,624	692,038,201	870,000,000	400,000,000
from financial institutions					
Proceeds from long-term borrowings					
from financial institutions	16	-	65,820,000	-	-
Repayments for finance lease liabilities	16	(15,636,762)	(17,513,631)	(1,179,778)	(481,354)
Proceeds from issue of ordinary shares		1,112,344,013	199,072,250	1,112,343,563	199,072,250
Repayments on share payable		(999,400)	-	(999,400)	-
Repayments on long-term borrowings from					
financial institutions and others	16	(164,244,553)	(182,788,430)	-	(2,862,548)
Decrease in borrowings from directors		-	(51,317,615)	-	(12,975,679)
Dividend paid	20	-	(200,888,889)	-	(200,888,889)
Repayments on long-term borrowings from related parties		-	-	-	(45,300,000)
Net cash generated from financing activities		1,625,822,922	504,421,886	1,980,164,385	336,563,780
Net increase (decrease) in cash and cash equivalents		314,094,467	(32,207,958)	218,816,102	(3,334,941)
Opening balance		34,438,054	66,646,012	4,867,890	8,202,831
Closing balance		348,532,521	34,438,054	223,683,992	4,867,890

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

1 General information

Buriram Sugar Public Company Limited (the “Company”) is a company limited incorporated and resident in Thailand on 21 February 1964. The address of the Company’s registered office is as follows:

Head office: Located at 237 moo 2, Tambol Hin Lek Fai, Amphur Kumueug, Buriram 31190.

The 1st Branch: Located at 128/77-78, 7th floor, Phayathai Plaza Building, Tungphayathai Ratchathewee Bangkok 10400.

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

The principal business operations of the Group are summarised as follows:

- 1) Manufacturing and distribution of sugar and molasses
- 2) Trading agricultural products
- 3) Power plant for electricity generation and power for sale
- 4) Other businesses

These Group consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2015.

2 Accounting policies

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

2.1 Basis for preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

An English version of the consolidated and company 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.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards

- 1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group :

TAS 1 (Revised 2012)	Presentation of financial statements
TAS 7 (Revised 2012)	Statement of cash flows
TAS 12 (Revised 2012)	Income taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee benefits
TAS 21 (Revised 2012)	The effects of changes in foreign exchange rates
TAS 24 (Revised 2012)	Related party disclosures
TAS 28 (Revised 2012)	Investments in associates
TAS 31 (Revised 2012)	Interest in joint ventures
TAS 34 (Revised 2012)	Interim financial reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible assets
TFRS 2 (Revised 2012)	Share-based payment
TFRS 3 (Revised 2012)	Business combinations
TFRS 5 (Revised 2012)	Non-current assets held for sale and discontinued operations
TFRS 8 (Revised 2012)	Operating segments
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. The Group's management assessed that the revised standard has no material impact to the Group's operations.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

2 Accounting policies (Cont'd)

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

- 1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group :
(Cont'd)

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Group.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. The Group's management assessed that the revised standard has no impact to the Group's operations.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. The Group's management assessed that the revised standard has no impact to the Group's operations.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

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

- 1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group : (Cont'd)

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The management is currently assessing the impact of TRIC 4.

TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Group.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Group's operations.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC12 is not relevant to the Group's operations.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. TFRIC 13 is not relevant to the Group's operations.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to the Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.

2 Accounting policies (Cont'd)

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

- 1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group : (Cont'd)

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS 17 "Leases". The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS 38 "Intangible Assets". This interpretation has no impact to the Group.

- 2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted:

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

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20 (revised 2014)	Stripping costs in the production phase of a surface mine

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. The Group is yet to assess the full impact of the amendments.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The Group is yet to assess the full impact of the amendments.

2 Accounting policies (Cont'd)

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

- 2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted: (Cont'd)

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

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

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

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. The Group is yet to assess the full impact of the amendments.

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

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

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

TFRIC 14 (Revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

TFRIC 20 (Revised 2014), this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

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

2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted: (Cont'd)

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

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under IAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

2 Accounting policies (Cont'd)

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

3) New financial reporting standard which is effective on 1 January 2016

TFRS 4 (revised 2014)	Insurance contracts
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TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

2.3 Investment in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

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

2 Accounting policies (Cont'd)

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2.5 Cash and cash equivalents

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

2.6 Trade and farmer receivables

Trade receivables are recognised initially at the original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statements of comprehensive income.

Farmer receivables are stated at the net realisable value. The Group has policy to set up allowance for doubtful accounts based on period of overdue balance, payment histories and future expectations of customer payments. Allowance for doubtful accounts is provided in full amount (after deducting appraisal value of collateral). Bad debts are written off when incurred.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of merchandise inventories is determined by first-in, first-out method and cost of finished goods and factory supplies are determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2 Accounting policies (Cont'd)

2.8 Investments

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

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Investments in non-marketable equity securities are classified as general investments.

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

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in equity.

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

General investments are carried at cost less impairment loss.

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

2.9 Property, plant and equipment

The Group accounting policy with respect to property, plant, equipment, and depreciation is as follows:

Property, plant and equipment are recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. Property, plant and equipment, except land, are presented in the balance sheet at cost less accumulated depreciation and impairments (if any).

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Building and buildings improvement	20 - 30 years
Machinery and tools	10 - 30 years
Agriculture equipment and tools	5 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 - 10 years

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment (Cont'd)

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statements of income.

Interest costs on borrowings to finance the construction of property, plant and equipment or the production of a qualifying asset are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. The borrowing costs include:

- interest on long-term borrowings, and related taxes
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings

Any other borrowing costs will be recognised as expenses in the income statement.

2.10 Intangible assets

Licences

Licences are shown at historical cost. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives of 10 years.

2.11 Leases - where a Group is the lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2 Accounting policies (Cont'd)

2.12 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.13 Current and deferred income tax

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. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except 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 assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies (Cont'd)

2.14 Employee benefits

The Group has post-employment benefits consisting of both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employee, years of service and compensation.

Defined benefit plan - retirement benefits

The Group provides for post employment benefits, payable to employees under the labour laws applicable in Thailand. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yields on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains or losses will be recognised as other comprehensive income in the period to which they relate. The costs associated with providing these benefits are charged to the statement of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

2.15 Provisions

Provisions excluding employee benefits 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 a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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

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

2.16 Revenue recognition

Revenue comprises the invoice value for the sale of goods and service net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is recognised when services are rendered.

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

2 Accounting policies (Cont'd)

2.17 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

2.18 Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Segments by nature of business provide products or services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by nature of business of the Group's operations.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including, fair value interest rate risk, cash flow interest rate risk and price risk) and credit 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.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Entities in the Group use forward contracts, transacted with the Group Treasury, 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 currency borrowings and external forward currency contracts

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. The Group is able to raise long-term borrowings at floating rates.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions 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.

4.1 Impairment of receivable

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by The Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends

4.2 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 or amortisation charge 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 Capital risk management

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

Buriram Sugar Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

6 Operating segments

Reporting segment is referred from internal report of the Group which is reviewed by Chief Operating Decision Maker (CODM). CODM is Chief Executive Officer who makes decisions about resource allocation and assesses the segment performance.

Chief Operating Decision Maker considers the reporting segment as below:-

- Manufacturing and distribution of sugar and molasses
- Trading agricultural products
- Power plant for electricity generation and power for sale
- Other businesses

Chief Operating Decision Maker considers performance of reporting segments from profit from operating segments.

Unallocated costs mainly represent corporate expenses.

Operating segments of the Group are as follows:

Consolidated

For the year ended 31 December 2014 and 2013

Unit : Million Baht

	Sugar and Molasses business		Trading agriculture products		Power plant		Others		Total		Eliminated entries		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue from sales and services														
- Local	1,241	1,231	591	421	182	133	157	188	2,171	1,973	(380)	(182)	1,791	1,791
- Overseas	2,129	2,188	-	-	-	-	-	-	2,129	2,188	-	-	2,129	2,188
Total	3,370	3,419	591	421	182	133	157	188	4,300	4,161	(380)	(182)	3,920	3,979
Profit (loss) from operating segments	661	581	52	37	90	61	70	(28)	873	651	(43)	144	830	795
Administrative and selling expenses													(427)	(428)
Finance costs													(117)	(97)
Income tax expense													(50)	(65)
Net profit for the periods													236	205
As at 31 December 2014 and 2013														
Inventories	483	569	136	122	4	-	-	-	623	691	(13)	(25)	610	666
Property, plant and equipments	1,942	1,153	116	115	469	479	522	50	3,049	1,797	3	3	3,052	1,800
Other assets	5,485	3,211	364	594	613	72	51	3	6,513	3,880	(4,790)	(2,448)	1,723	1,432
Total assets	7,910	4,933	616	831	1,086	551	573	53	10,185	6,368	(4,800)	(2,470)	5,385	3,898

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7 Cash and cash equivalents

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Cash on hand	416,494	384,250	70,000	69,500
Deposits held at call with banks	348,116,027	34,053,804	223,613,992	4,798,390
	<u>348,532,521</u>	<u>34,438,054</u>	<u>223,683,992</u>	<u>4,867,890</u>

As at 31 December 2014, the weighted average effective interest rate of deposits held at call with banks was 0.50% per annum (2013: 0.75% per annum).

8 Trade and other receivables - net

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
<u>Trade receivables - third parties</u>				
Current	40,025,449	70,516,512	4,716	-
Overdue:				
Up to 3 months	8,289,685	1,308,319	-	-
Over 3 months less than 12 months	449,368	-	26,390	-
Over 12 months	8,889,873	8,250,423	8,250,423	8,250,423
	<u>57,654,375</u>	<u>80,075,254</u>	<u>8,281,529</u>	<u>8,250,423</u>
<u>Less</u> Allowance for doubtful accounts	<u>(8,250,423)</u>	<u>(8,250,423)</u>	<u>(8,250,423)</u>	<u>(8,250,423)</u>
Trade receivables - third parties, net	<u>49,403,952</u>	<u>71,824,831</u>	<u>31,106</u>	<u>-</u>
<u>Trade receivables - related parties</u>				
Current	10,293,402	7,519,205	28,734,529	-
Overdue:				
Up to 3 months	114,800,382	-	18,290,745	25,325,912
Over 3 months less than 12 months	419,751	-	1,335,360	5,715,940
Over 12 months	232,370	-	28,807,692	2,099,359
	<u>125,745,905</u>	<u>7,519,205</u>	<u>77,168,326</u>	<u>33,141,211</u>
Trade receivables - related parties, net	<u>125,745,905</u>	<u>7,519,205</u>	<u>77,168,326</u>	<u>33,141,211</u>
<u>Other receivables</u>				
Advance payments	2,027,953	7,299,784	6,500	446,930
Prepaid expenses	113,674,882	6,712,892	11,131,834	52,693
Accrued interest income - related parties	-	-	25,807,312	12,836,626
Other receivables - third parties	12,020,877	56,082	-	-
Other receivables - related parties	-	-	8,505	-
Accrued dividend income	-	-	141,049,735	-
	<u>127,723,712</u>	<u>14,068,758</u>	<u>178,003,886</u>	<u>13,336,249</u>
Total trade and other receivables, net	<u>302,873,569</u>	<u>93,412,794</u>	<u>255,203,318</u>	<u>46,477,460</u>

9 Farmer receivables - net

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Farmer receivables	880,522,063	1,135,292,107	121,699,493	133,720,664
<u>Less</u> Allowance for doubtful accounts	<u>(109,729,703)</u>	<u>(110,451,309)</u>	<u>(106,058,047)</u>	<u>(106,117,046)</u>
	<u>770,792,360</u>	<u>1,024,840,798</u>	<u>15,641,446</u>	<u>27,603,618</u>

9 Farmer receivables - net (Cont'd)

Outstanding farmer receivables can be analysed as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Season 2015/2016	44,460,648	-	-	-
Season 2014/2015	703,048,637	241,225,716	-	-
Season 2013/2014	6,868,096	739,519,677	-	-
Season 2012/2013	3,200,867	16,593,909	-	-
Season 2011/2012	1,244,322	4,232,141	-	-
Before season 2011/2012	121,699,493	133,720,664	121,699,493	133,720,664
	880,522,063	1,135,292,107	121,699,493	133,720,664
<u>Less</u> Allowance for doubtful account	(109,729,703)	(110,451,309)	(106,058,047)	(106,117,046)
	<u>770,792,360</u>	<u>1,024,840,798</u>	<u>15,641,446</u>	<u>27,603,618</u>

Outstanding farmer receivables - related parties can be analysed as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Season 2015/2016	6,415,582	-	-	-
Season 2014/2015	13,032,400	3,546,388	-	-
Season 2013/2014	-	12,213,481	-	-
Season 2012/2013	-	-	-	-
Season 2011/2012	-	765,573	-	-
Before season 2011/2012	413,932	2,123,412	413,932	2,123,412
	19,861,914	18,648,854	413,932	2,123,412
<u>Less</u> Allowance for doubtful account	-	-	-	-
	<u>19,861,914</u>	<u>18,648,854</u>	<u>413,932</u>	<u>2,123,412</u>

10 Inventories - net

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Finished goods	460,402,429	581,151,339	-	-
Merchandise inventories	109,171,971	93,512,097	-	-
Work in process	10,849,811	5,850,996	-	-
Factory supplies	30,788,619	24,604,187	-	-
<u>Less</u> Allowance for decrease in value	(671,427)	(39,003,387)	-	-
	<u>610,541,403</u>	<u>666,115,232</u>	<u>-</u>	<u>-</u>

The cost of inventories recognised as expenses and included in 'cost of sales' amounting to Baht 2,881.54 million (2013 : Baht 3,215.22 million).

The Group reversed Baht 39.00 million of a previous inventory write-down. The Group has sold all the goods that were written-down at original cost. The amount reversed has been included in 'cost of sales' in the statement of comprehensive income.

Inventory with a value of Baht 0.67 million (2013 : Baht 39.00 million) is carried at net realisable value, this being lower than cost.

Inventory of Baht 57.35 million (2013 : Baht 16.45 million) has been pledged as a security for borrowings.

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11 Other current assets

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Revenue Department receivables	44,816,032	3,243,427	1,196,267	-
Undued input VAT	22,814,964	23,991,580	15,747,947	19,706,570
Others	5,737,421	12,358,184	317,436	5,974,178
	<u>73,368,417</u>	<u>39,593,191</u>	<u>17,261,650</u>	<u>25,680,748</u>

12 Investment in subsidiaries

The movement of investment in subsidiaries for the year ended 31 December 2014 and 2013 is as follows;

	Company	
	2014	2013
	Baht	Baht
Beginning balance - net	1,270,478,100	1,269,478,700
Acquisitions	-	999,400
Ending balance - net	<u>1,270,478,100</u>	<u>1,270,478,100</u>

Details of investment in subsidiaries as presented in the company financial statements are as follow:

Company's name	Cost method	
	2014	2013
	Baht	Baht
Direct subsidiaries		
Buriram Sugar Factory Co., Ltd.	1,049,000,000	1,049,000,000
Buriram Sugarcane Research and Development Co., Ltd	70,879,400	70,879,400
Buriram Energy Co., Ltd.	135,599,300	135,599,300
Key brand Fertilizer Co., Ltd.	14,999,400	14,999,400
Total investments in subsidiaries	<u>1,270,478,100</u>	<u>1,270,478,100</u>
Indirect subsidiaries		
Buriram Power Co., Ltd.	169,999,400	2,499,850

The investments in subsidiaries as at 31 December 2014 and 2013 are as follows:

	2014		2013	
	Country of incorporation	% Ownership interest	Country of incorporation	% Ownership interest
Direct subsidiaries				
Buriram Sugar Factory Co., Ltd.	Thailand	99.90	Thailand	99.90
Buriram Sugarcane Research and Development Co., Ltd.	Thailand	99.99	Thailand	99.99
Buriram Energy Co., Ltd.	Thailand	99.99	Thailand	99.99
Key brand Fertilizer Co., Ltd.	Thailand	99.99	Thailand	99.99
Indirect subsidiaries				
Buriram Power Co., Ltd.	Thailand	99.99	Thailand	99.99

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13 Property, plant and equipment - net

	Consolidated							
	Land and land improvement Baht	Building and Building improvement Baht	Machinery, equipment and tools Baht	Agriculture equipment and tools Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Work in progress Baht	Total Baht
As at 31 December 2012								
Cost	50,064,227	331,624,332	687,504,457	16,231,166	64,469,122	85,873,640	157,407,268	1,393,174,212
<u>Less</u> Accumulated depreciation	-	(18,861,930)	(163,758,364)	(2,227,018)	(25,627,988)	(55,635,552)	-	(266,110,852)
Net book amount	50,064,227	312,762,402	523,746,093	14,004,148	38,841,134	30,238,088	157,407,268	1,127,063,360
For the year ended 31 December 2013								
Opening net book amount	50,064,227	312,762,402	523,746,093	14,004,148	38,841,134	30,238,088	157,407,268	1,127,063,360
Additions	27,746,946	10,078,938	21,887,919	14,760,535	9,093,262	32,800,470	636,586,003	752,954,073
Transfer	512,139	54,981,167	362,475,131	1,888,753	1,653,643	-	(421,510,833)	-
Disposals, net	(8,516,560)	-	(1,113,842)	-	(3,884,145)	(1,118,307)	-	(14,632,854)
Reclassification	6,328,036	(6,328,036)	-	-	-	-	-	-
Depreciation charges	-	(14,932,224)	(33,111,435)	(4,968,949)	(6,306,883)	(5,759,181)	-	(65,078,672)
Closing net book amount	76,134,788	356,562,247	873,883,866	25,684,487	39,397,011	56,161,070	372,482,438	1,800,305,907
As at 31 December 2013								
Cost	76,134,788	390,356,401	1,070,753,665	32,880,454	58,396,464	109,023,998	372,482,438	2,110,028,208
<u>Less</u> Accumulated depreciation	-	(33,794,154)	(196,869,799)	(7,195,967)	(18,999,453)	(52,862,928)	-	(309,722,301)
Net book amount	76,134,788	356,562,247	873,883,866	25,684,487	39,397,011	56,161,070	372,482,438	1,800,305,907
For the year ended 31 December 2014								
Opening net book amount	76,134,788	356,562,247	873,883,866	25,684,487	39,397,011	56,161,070	372,482,438	1,800,305,907
Additions	22,024,714	1,901,493	11,310,467	8,297,216	12,305,044	5,274,515	1,291,330,438	1,352,443,887
Transfer in (out)	-	79,686,059	3,388,081	1,619,866	1,306,977	-	(86,000,983)	-
Disposals, net	-	(40,831)	(3,344,927)	(273,979)	(4,507,410)	(3)	-	(8,167,150)
Depreciation charges	-	(18,107,902)	(50,534,682)	(6,854,883)	(8,741,588)	(8,346,204)	-	(92,585,259)
Closing net book amount	98,159,502	420,001,066	834,702,805	28,472,707	39,760,034	53,089,378	1,577,811,893	3,051,997,385
As at 31 December 2014								
Cost	98,159,502	467,240,061	1,078,990,842	41,589,316	61,202,103	111,498,513	1,577,811,893	3,436,492,230
<u>Less</u> Accumulated depreciation	-	(47,238,995)	(244,288,037)	(13,116,609)	(21,442,069)	(58,409,135)	-	(384,494,845)
Net book amount	98,159,502	420,001,066	834,702,805	28,472,707	39,760,034	53,089,378	1,577,811,893	3,051,997,385

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13 Property, plant and equipment - net (Cont'd)

As at 31 December 2014, finance lease liabilities under property, plant and equipment at the net book value of Baht 51.28 million (2013 : Baht 54.40 million).

As at 31 December 2014, the Group has building and equipment which are fully depreciated but still utilised costing amount of Baht 35.80 million (2013 : Baht 50.58 million).

As at 31 December 2014, financial institution borrowings are secured on properties at the net book value of Baht 1,414.00 million (2013: Baht 1,527.00 million) (Note 16).

Borrowing costs of Baht 35.30 million, arising from financing specifically entered into for the construction of a new factory and machinery, were capitalised during the year and are included in 'Additions' with capitalisation rate of 4.50% - 7.25% (2013 : 4.90% - 6.86%).

	Company				
	Building and Building improvement Baht	Machinery, equipment and tools Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Total Baht
As at 31 December 2012					
Cost	14,360,659	26,852,518	34,689,514	48,022,129	123,924,820
<u>Less</u> Accumulated depreciation	(7,333,309)	(14,149,224)	(20,564,447)	(39,673,594)	(81,720,574)
Net book amount	<u>7,027,350</u>	<u>12,703,294</u>	<u>14,125,067</u>	<u>8,348,535</u>	<u>42,204,246</u>
For the year ended 31 December 2013					
Opening net book amount	7,027,350	12,703,294	14,125,067	8,348,535	42,204,246
Additions	-	-	110,578	-	110,578
Disposals, net	-	(1,113,843)	(3,834,788)	(1,118,308)	(6,066,939)
Depreciation charges	(248,968)	(1,849,837)	(1,113,096)	(1,261,761)	(4,473,662)
Closing net book amount	<u>6,778,382</u>	<u>9,739,614</u>	<u>9,287,761</u>	<u>5,968,466</u>	<u>31,774,223</u>
As at 31 December 2013					
Cost	14,360,659	16,194,029	18,199,878	38,372,015	87,126,581
<u>Less</u> Accumulated depreciation	(7,582,277)	(6,454,415)	(8,912,117)	(32,403,549)	(55,352,358)
Net book amount	<u>6,778,382</u>	<u>9,739,614</u>	<u>9,287,761</u>	<u>5,968,466</u>	<u>31,774,223</u>
For the year ended 31 December 2014					
Opening net book amount	6,778,382	9,739,614	9,287,761	5,968,466	31,774,223
Additions	343,915	-	764,491	-	1,108,406
Disposals, net	-	(3,344,927)	(4,235,191)	(2)	(7,580,120)
Depreciation charges	(250,694)	(992,405)	(859,470)	(961,157)	(3,063,726)
Closing net book amount	<u>6,871,603</u>	<u>5,402,282</u>	<u>4,957,591</u>	<u>5,007,307</u>	<u>22,238,783</u>
As at 31 December 2014					
Cost	14,704,574	9,732,658	8,636,860	35,822,015	68,896,107
<u>Less</u> Accumulated depreciation	(7,832,971)	(4,330,376)	(3,679,269)	(30,814,708)	(46,657,324)
Net book amount	<u>6,871,603</u>	<u>5,402,282</u>	<u>4,957,591</u>	<u>5,007,307</u>	<u>22,238,783</u>

As at 31 December 2014, finance lease liabilities under property, plant and equipment at the net book value of Baht 4.08 million (2013 : Baht 4.73 million).

As at 31 December 2014, the Company has building and equipment which are fully depreciated but still utilised costing amount of Baht 23.32 million (2013 : Baht 37.17 million).

14 Deferred tax assets - net

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

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	134,285	23,500,910	-	-
Deferred tax assets to be recovered more than 12 months	224,737,721	224,473,127	12,145,179	13,963,895
	<u>224,872,006</u>	<u>247,974,037</u>	<u>12,145,179</u>	<u>13,963,895</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liabilities to be settled more than 12 months	(13,489,405)	(13,489,405)	-	-
	<u>(13,489,405)</u>	<u>(13,489,405)</u>	<u>-</u>	<u>-</u>
Deferred tax assets - net	<u>211,382,601</u>	<u>234,484,632</u>	<u>12,145,179</u>	<u>13,963,895</u>

The gross movement in deferred income tax account is as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
At 1 January	234,484,632	246,416,304	13,963,895	7,885,644
Charged/(credited) to profit or loss	(21,825,492)	(13,789,970)	(1,205,527)	5,587,700
Charged/(credited) to comprehensive income	(1,276,539)	1,858,298	(613,189)	490,551
At 31 December	<u>211,382,601</u>	<u>234,484,632</u>	<u>12,145,179</u>	<u>13,963,895</u>

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated					
	Depreciation Baht	Provision for employee benefits Baht	Allowance for doubtful Baht	Allowance For decrease in value Baht	Loss carried for ward Baht	Total Baht
Deferred tax assets						
At 1 January 2014	219,621,069	6,542,114	12,173,932	7,800,677	1,836,245	247,974,037
Charged/(credited) to profit or loss	(16,481,066)	901,835	(1,644,142)	(7,666,392)	3,064,273	(21,825,492)
Credited to comprehensive income	-	(1,276,539)	-	-	-	(1,276,539)
At 31 December 2014	<u>203,140,003</u>	<u>6,167,410</u>	<u>10,529,790</u>	<u>134,285</u>	<u>4,900,518</u>	<u>224,872,006</u>
At 1 January 2013	233,485,057	4,149,847	5,989,743	486,583	2,305,074	246,416,304
Charged/(credited) to profit or loss	(13,863,988)	533,969	6,184,189	7,314,094	(468,829)	(300,565)
Charged to comprehensive income	-	1,858,298	-	-	-	1,858,298
At 31 December 2013	<u>219,621,069</u>	<u>6,542,114</u>	<u>12,173,932</u>	<u>7,800,677</u>	<u>1,836,245</u>	<u>247,974,037</u>

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14 Deferred tax assets - net (Cont'd)

	Consolidated		
	Accelerated tax depreciation		
	Baht		
Deferred tax liabilities			
At 1 January 2014			13,489,405
Charged to profit or loss			-
At 31 December 2014			13,489,405
	Company		
	Provision for employee benefits	Allowance for doubtful	Allowance for decrease in value
	Baht	Baht	Baht
Deferred tax assets			
At 1 January 2014	2,656,815	11,307,080	-
Charged/(credited) to profit or loss	306,093	(1,511,620)	-
Credited to comprehensive income	(613,189)	-	-
At 31 December 2014	2,349,719	9,795,460	-
At 1 January 2013	1,595,757	5,989,743	300,144
Charged/(credited) to profit or loss	570,507	5,317,337	(300,144)
Charged to comprehensive income	490,551	-	-
At 31 December 2013	2,656,815	11,307,080	-

15 Trade and other payables

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Trade payables - third parties	277,566,601	602,211,544	1,304,009	2,391,276
Trade payables - related parties	4,770,117	14,833,838	240,081,581	242,160,251
Accrued interest expense - related parties	-	-	-	1,413,351
Accrued expenses - third parties	27,376,513	20,948,425	1,216,911	1,969,821
Accrued expenses - related parties	9,659,590	-	-	-
Advance received	144,545,281	127,394,836	-	30,000
Other payables - third parties	22,563,216	77,212,966	-	153,618
Other payables - related parties	2,178,477	-	731,826	-
	488,659,795	842,601,609	243,334,327	248,118,317

16 Borrowings

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Current				
Bank overdrafts	34,435,771	43,645,574	-	-
Short-term borrowings:				
- Financial institutions	2,174,930,649	1,471,361,222	1,270,000,000	400,000,000
Current portion of long-term borrowings:				
- Financial institutions	159,878,070	85,116,470	-	-
- Finance lease	10,150,845	14,874,495	10,656	1,179,778
Total current borrowings	2,379,395,335	1,614,997,761	1,270,010,656	401,179,778
Non-Current portion				
Long-term borrowings:				
- Financial institutions	452,901,495	691,907,648	-	-
Finance lease liabilities	9,673,567	15,486,033	-	10,656
Total non-current portion of long-term borrowings	462,575,062	707,393,681	-	10,656
Total borrowings	2,841,970,397	2,322,391,442	1,270,010,656	401,190,434

As at 31 December 2014, the Group has pledged inventories at net realisable value amounting to Baht 57.35 million (2013: Baht 16.45 million) to secure short-term borrowings from financial institutions.

As at 31 December 2014, the Group has pledged properties at net book value amounting to Baht 1,215.00 million (2013: Baht 1,527.00 million) to secure bank overdrafts and long-term borrowings from financial institutions. (Note 13)

Interest rates for bank overdrafts and short-term borrowings of the Company and Group were 5.25% and 4.50% - 7.88% respectively (2013 : 5.75% and 4.65% - 7.88%).

The movement of long term borrowings (excluded finance lease liabilities) for the year ended is as following:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Opening balance	777,024,118	893,992,548	-	2,862,548
Additions	-	65,820,000	-	-
Repayment	(164,244,553)	(182,788,430)	-	(2,862,548)
Closing balance	612,779,565	777,024,118	-	-

The weighted average effective interest rates at the statements of financial position date were as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	%	%	%	%
Long-term borrowings from financial institutions	6.77	6.47	-	5.75

Maturity of long-term borrowings (excluded finance leases liabilities) were as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Within 1 year	159,878,070	85,116,470	-	-
Between 2 years and 5 years	452,901,495	691,907,648	-	-
	612,779,565	777,024,118	-	-

16 Borrowings (Cont'd)

The present value of finance lease liabilities as at 31 December 2014 and 2013 is as follows:

	Consolidated and Company		
	2014		
	Within 1 year Baht	2 - 5 years Baht	Total Baht
Finance lease liabilities-minimum lease payments	11,080,831	10,135,487	21,216,318
<u>Less</u> future finance charges on finance lease	(929,986)	(461,920)	(1,391,906)
Present value of finance lease liabilities	10,150,845	9,673,567	19,824,412

	Consolidated and Company		
	2013		
	Within 1 year Baht	2 - 5 years Baht	Total Baht
Finance lease liabilities-minimum lease payments	16,432,268	16,467,390	32,899,658
<u>Less</u> future finance charges on finance lease	(1,557,773)	(981,357)	(2,539,130)
Present value of finance lease liabilities	14,874,495	15,486,033	30,360,528

17 Other current liabilities

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Undued Output VAT	22,589,247	23,329,240	5,048,395	2,030,775
Revenue Department payables	668,255	5,614,294	-	1,620,009
Withholding tax payables	6,023,400	4,292,548	1,645,673	914,137
Others	2,208,225	1,643,168	-	-
	31,489,127	34,879,250	6,694,068	4,564,921

18 Employee benefit obligation

The movement in the defined benefit obligations over the period is as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Beginning balance	32,710,569	20,749,232	13,284,077	7,978,783
Current service costs	3,292,315	2,007,805	981,862	711,135
Interest costs	1,380,200	662,042	548,604	289,007
Benefit paid	(163,350)	-	-	-
Actuarial (gain) loss on the defined employee benefit plans	(6,382,692)	9,291,490	(3,065,944)	4,305,152
Ending balance	30,837,042	32,710,569	11,748,599	13,284,077

18 Employee benefit obligation

The amounts recognised in the statement of comprehensive income (included in staff costs) are as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current service costs	3,292,315	2,007,805	981,864	711,135
Interest costs	1,380,200	662,042	548,604	289,007
Total	4,672,515	2,669,847	1,530,468	1,000,142

The amounts recognised in other comprehensive income (expense) are as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Actuarial (gain) loss on the defined employee benefit plans	(6,382,692)	9,291,490	(3,065,944)	4,305,152

Accumulated amounts of actuarial loss, which have been recognised in the other comprehensive income of the consolidated and the Company financial statements, up to 31 December 2014 were Baht 8.87 million and Baht 6.34 million, respectively (2013 : Baht 15.25 million and Baht 9.41 million, respectively).

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2014 %	2013 %	2014 %	2013 %
Discount rate	4.28%	3.82%	4.28%	3.82
Future salary increases	5%	5%	5%	5%
Mortality rate	100% of TMO 2008	100% of TMO 2008	100% of TMO 2008	100% of TMO 2008
Resignation rate	0 - 14%	1%	0 - 14%	1%

19 Share capital

	Authorised number of shares	Issued and fully paid-up		
		Number of ordinary shares	Ordinary share Baht	Premium on share capital Baht
As at 1 January 2012	200,000,000	200,000,000	200,000,000	-
Issue of shares	120,000,000	120,000,000	120,000,000	-
As at 31 December 2012	320,000,000	320,000,000	320,000,000	-
Issue of shares	356,750,000	187,567,500	187,567,500	11,504,750
As at 31 December 2013	676,750,000	507,567,500	507,567,500	11,504,750
Issue of shares	-	169,182,500	169,182,500	943,161,063
As at 31 December 2014	676,750,000	676,750,000	676,750,000	954,665,813

19 Share capital (Cont'd)

Initial Public Offering

In October 2014, the Company offered its common shares to the initial public offering by issuing 169,182,500 common shares. The new shares were sold to the subscribers at price of Baht 6.80 per share (Baht 1 paid in capital and Baht 5.80 share premium) totalling Baht 1,150.44 million. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 3 November 2014 and the shares of the Company begin trading in the Stock Exchange of Thailand on 6 November 2014. Directly attributable expenses of the initial public offering amounted to Baht 38.10 million were deducted from the premium on share capital received from new investors.

As at 31 December 2014, the total number of authorised ordinary shares is 676,750,000 shares (2013 : 676,750,000 shares) with a par value of Baht 1 per share (2013 : Baht 1 per share). The issued and fully paid-up ordinary shares is 676,750,000 shares.

At the Extraordinary Shareholders' Meeting no. 2/2013 held on 2 August 2013, the shareholders passed a resolution to change in the par value of the ordinary shares from Baht 1,000 each to Baht 1 each, as a result, the company's registered and paid-up share capital increase from 320,000 ordinary shares to 320,000,000 ordinary shares and to increase in the registered capital from 320,000,000 ordinary shares to 676,750,000 ordinary shares at a par value of Baht 1 per share. The Company registered the increased share capital with the Ministry of Commerce on 9 August 2013.

20 Dividends

At the Extraordinary Shareholders' Meeting 2/2013 held on 2 August 2013, shareholders approved to pay dividends in respect of the year ended 31 December 2012 at Baht 0.628 per share for 320,000,000 ordinary shares, totaling Baht 200,888,889. These dividends were paid to the shareholders on 16 August 2013.

21 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

22 Other income

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Services income	1,135,028	5,275,630	109,269,814	93,100,000
Bad debt recovery	727,660	916,375	727,660	914,640
Gain on sale of asset	495,325	250,000	495,325	200,000
Interest income	3,850,748	4,142,107	70,065,260	14,526,175
Dividend income	153,510	-	141,049,735	-
Others	17,558,527	19,348,917	2,788,646	4,297,536
	<u>23,920,798</u>	<u>29,933,029</u>	<u>324,396,440</u>	<u>113,038,351</u>

23 Expenses by nature

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Raw materials and supplies used	2,205,271,526	2,275,734,786	392,550	56,129
Depreciation and amortisation	93,128,031	126,968,938	3,540,819	4,471,659
Repair and maintenance expense	78,760,042	143,974,699	879,476	296,246
Transportation expenses	110,627,636	125,443,943	-	-
Staff costs	306,710,426	304,616,784	76,010,378	64,316,617
Fees paid to the Office of the Cane and Sugar Fund	300,694,300	287,124,831	-	193,500

24 Income tax

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Current tax:				
Current tax on profits for the year	28,328,244	51,073,695	2,656,791	2,233,401
Total current tax	28,328,244	51,073,695	2,656,791	2,233,401
Deferred tax:				
Origination and reversal of temporary differences	21,825,492	13,789,170	1,205,527	(5,587,700)
Total deferred tax	21,825,492	13,789,170	1,205,527	(5,587,700)
Total tax expense	50,153,736	64,862,865	3,862,318	(3,354,299)

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Profit before tax	286,463,017	270,425,897	151,777,219	219,436
Tax calculated at a tax rate of 20% (2013: 20%)	57,292,603	54,085,179	30,355,444	43,887
Tax effect of:				
Income not subject to tax	(11,613,397)	(5,807,417)	(27,293,043)	(8,875,594)
Expenses not deductible for tax purpose	4,474,530	16,585,103	799,917	5,477,408
Total tax expense	50,153,736	64,862,865	3,862,318	(3,354,299)

The weighted average applicable tax rate was 17.51 % (2013: 23.99%).

25 Basic earnings per share

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

	Consolidated		Company	
	2014	2013	2014	2013
Net profit (loss) attributable to shareholders (Baht)	235,967,740	196,271,542	147,914,901	(713,417)
Weighted average of issued ordinary shares during the year (Shares)	534,914,808	398,110,301	534,914,808	398,110,301
Basic earnings (loss) per share (Baht)	0.44	0.49	0.28	(0.00)

There are no dilutive potential ordinary shares in issue during the year presented.

26 Related party transactions

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

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

The Company is controlled by Buriram Capital Co., Ltd., which owns 50% of the Company's issued shares.

The following transactions were carried out with related parties:

a) Business transactions with related parties

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Related parties : Subsidiaries				
<i>(Eliminated from Consolidated financial statements)</i>				
Dividend income	-	-	141,049,735	-
Interest income	-	-	68,575,030	13,107,372
Other income	-	-	109,100,000	93,100,000
Cost of sales and services	-	-	-	1,212,183
Administrative expenses	-	-	1,257,050	1,413,351
Other related parties				
Revenues from sales and services	2,135,044,696	2,194,717,207	-	-
Other income	200,000	120,000	120,000	163,780
Cost of sales and services	16,545,248	23,730,211	-	-
Selling expenses	99,059,213	67,745,396	-	-
Administrative expenses	175,480	175,480	-	-

During the year 2014, subsidiaries have purchased land from directors amounting to Baht 14.03 million. The payments have been made and assets have already transferred.

26 Related party transactions (Cont'd)

b) Outstanding balances arising from sales/purchases of goods/services

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Trade accounts receivables - related parties:				
Subsidiaries	-	-	77,168,326	33,141,211
Other related parties	125,745,905	7,519,205	-	-
	<u>125,745,905</u>	<u>7,519,205</u>	<u>77,168,326</u>	<u>33,141,211</u>
Farmer receivables - related parties				
Other related parties	19,861,914	18,648,854	413,932	2,123,412
	<u>19,861,914</u>	<u>18,648,854</u>	<u>413,932</u>	<u>2,123,412</u>
Other receivables - related parties				
Subsidiaries	-	-	166,865,552	12,836,626
	<u>-</u>	<u>-</u>	<u>166,865,552</u>	<u>12,836,626</u>
Trade accounts payables - related parties:				
Subsidiaries	-	-	240,081,580	242,160,251
Other related parties	4,770,117	14,833,838	-	-
	<u>4,770,117</u>	<u>14,833,838</u>	<u>240,081,580</u>	<u>242,160,251</u>
Other payables - related parties:				
Subsidiaries	-	-	84,700	1,413,351
Other related parties	11,838,067	999,400	647,126	999,400
	<u>11,838,067</u>	<u>999,400</u>	<u>731,826</u>	<u>2,412,751</u>

c) Borrowings to related parties

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Long-term borrowings to related parties	-	-	2,183,190,318	451,409,325
	<u>-</u>	<u>-</u>	<u>2,183,190,318</u>	<u>451,409,325</u>

As at 31 December 2014, interest rates for long-term borrowings to related parties were 6.75% - 6.88% per annum (2013 : 6.75% - 7.00% per annum).

26 Related party transactions (Cont'd)

d) Directors' and management's remuneration

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Short-term benefits	47,685,998	43,556,542	22,231,875	24,164,725
Post-retirement benefits	723,120	9,610,649	252,783	7,257,468
	48,409,118	53,167,191	22,484,658	31,422,193

Director's and management's remuneration represents salaries, meeting fees and other benefits.

e) Forward contract

The Group has entered into forward contract via Kahphol Co., Ltd. which is a related party, contract value amounting to USD 28.50 million (2013 : USD 28.00 million).

27 Financial instruments

The Company possess risks regarding to the rates of the related goods' price changing and from non-performance of contractual obligations by counter parties. The Company will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Company does not have any policy to hold or issue any financial instruments for speculation or for trading, except the following:

a) Risk on fluctuation of sugar prices

The cane and sugar industry in Thailand is under the benefit sharing system between the cane farmers and the sugar mill factories, the selling price of sugar under Quota B and the exchange rate of the actual sales made by Thailand Cane and Sugar Corporation (TCSC) have significant effect on cane price which is major cost of sugar production.

b) Credit risk

The Company has risk on credit regarding trade receivables, farmer receivable, loans to farmers, loans to related parties and other receivables. However, the Company has many receivables and has conservative credit policy including allowance for doubtful accounts. It believes that the risk of default by receivables is low.

c) Fair values of financial instruments

Since the majority of the financial instruments of the Company and its subsidiaries are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

28 Promotion privileges

By virtue of provisions of the Industrial Investment Promotion act of B.E 2520, the subsidiaries were granted privileges by the Board of Investment which included exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operation. The details of each privilege are as follows:

Certificate	Privilege section	Date	Nature of privilege business	First derived income date	Expiry date
2003(1)/2554	25, 26, 28, 31, 34, 35	17 August 2011	Generating electricity from biomass type 7.1	11 May 2012	11 May 2020
1006(1)/2558	25, 26, 28, 31, 34, 35	5 January 2015	Generating electricity from biomass type 7.1	-	-

In addition, BOI certificate No.2003(1)/2554 and 1006(1)/2558 the subsidiaries receive a fifty percent reduction in the normal income tax rate on the net profit derived from promoted business for a period of five years, as from the expiry date in the table above.

29 Commitments

Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Property, plant and equipment	3,897,000	433,740,540	-	-
	<u>3,897,000</u>	<u>433,740,540</u>	<u>-</u>	<u>-</u>

Bank guarantees

As at 31 December 2014, the Group has letters of with Provincial Electricity Authority amounting to Baht 3.6 million (2013: Baht 3.60 million) which are related to normal business of the Group.

Sales commitments

As at 31 December 2014, the Group has commitments related to the sales agreements but not yet delivered amounting to Baht 96.00 million (31 December 2013: Baht 1,747.00 million).

Electricity sale/purchase commitment

The subsidiary company has entered into electricity sale/purchase agreement with the Electricity Generating Authority of Thailand (EGAT) with a term of 5 years, and extending for further 5 years from 11 May 2012. Under the terms of the electricity trading agreements, the subsidiary and EGAT must comply with specified conditions.

30 Subsequent events

A registration of a subsidiary

On 23 January 2015, Buriram Power Plus Company Limited registered with the Ministry of Commerce. Authorised share capital is Baht 10,000,000 divided into 100,000 shares at a par value of Baht 100 per share. The Company is controlled by Buriram Energy Company Limited, a subsidiary, which owns 99.99% of the Company's issued shares.