

**Sermsuk Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2014
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Sermsuk Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Sermsuk Public Company Limited and its subsidiaries (the "Group") and of Sermsuk Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to note 2 to the financial statements describing the financial position and operating plan.

A handwritten signature in black ink, appearing to read 'N. Lilamethwat', with a large, stylized flourish at the end.

(Nirand Lilamethwat)
Certified Public Accountant
Registration No. 2316

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2015

Sermsuk Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2014	2013	2014	2013
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	6	225,534,056	186,256,297	185,824,569	139,683,614
Trade accounts receivable	5, 7	787,833,525	489,729,373	846,440,880	511,062,789
Other receivables from related parties	5	50,342,423	23,069,357	95,084,836	65,917,526
Other receivables	8	111,564,000	147,703,894	109,016,655	144,854,372
Short-term loans to related parties	5	-	-	125,000,000	384,600,000
Inventories	9	2,328,355,394	2,226,289,983	2,216,145,423	2,034,331,092
Prepaid excise taxes		85,926,702	92,173,879	73,682,622	80,254,863
Other current assets		169,149,091	164,809,085	144,304,706	135,222,421
Non-current assets held for sale	4, 10	1,290,504,838	-	1,290,504,838	-
Total current assets		5,049,210,029	3,330,031,868	5,086,004,529	3,495,926,677
Non-current assets					
Restricted deposits at financial institution	35	495,815	830,263	495,815	830,263
Investment in an associate	11	379,709,851	276,307,785	30,000,000	30,000,000
Investments in subsidiaries	12	-	-	606,634,068	356,634,074
Other long-term investments	13	171,273,089	174,446,315	171,273,089	174,446,315
Long-term loan to a related party	5	3,000,000	3,000,000	3,000,000	3,000,000
Investment properties	14	270,301,300	232,148,400	270,301,300	232,148,400
Property, plant and equipment	15	7,426,844,023	8,636,645,339	6,927,720,568	8,108,076,860
Intangible assets	16	18,047,560	21,317,623	16,017,125	16,504,125
Deferred tax assets	17	10,433,632	3,966,372	-	-
Other non-current assets		17,633,269	22,287,345	17,598,830	22,252,905
Total non-current assets		8,297,738,539	9,370,949,442	8,043,040,795	8,943,892,942
Total assets		13,346,948,568	12,700,981,310	13,129,045,324	12,439,819,619

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

Sermasuk Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
		<i>(in Baht)</i>			
Current liabilities					
Trade accounts payable	5, 18	875,505,100	766,244,851	1,126,164,517	860,160,641
Other payables to related parties	5	92,456,649	24,658,795	126,748,428	194,056,966
Other payables		410,062,983	331,437,356	399,838,112	324,257,768
Short-term loan from a related party	5	-	-	1,530,968,165	-
Short-term loans from financial institutions	19	1,000,000,000	700,000,000	1,000,000,000	700,000,000
Income tax payable		3,473,726	-	-	-
Accrued expenses		585,927,377	447,801,724	571,454,226	438,103,416
Dividends payable	31	73,470,803	73,586,615	73,470,803	73,586,615
Customers' deposits on bottles and cases		436,650,910	522,184,823	436,650,910	522,184,823
Other current liabilities		26,242,831	43,468,561	20,045,484	23,925,627
Total current liabilities		3,503,790,379	2,909,382,725	5,285,340,645	3,136,275,856
Non-current liabilities					
Deferred tax liabilities	17	152,834,651	463,455,429	136,446,241	446,951,428
Employee benefit obligations	20	945,652,584	925,548,183	939,367,263	920,935,876
Total non-current liabilities		1,098,487,235	1,389,003,612	1,075,813,504	1,367,887,304
Total liabilities		4,602,277,614	4,298,386,337	6,361,154,149	4,504,163,160

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

Sermasuk Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
		<i>(in Baht)</i>			
Equity					
Share capital:	<i>21</i>				
Authorised share capital		<u>264,900,484</u>	<u>265,900,484</u>	<u>265,900,484</u>	<u>265,900,484</u>
Issued and paid-up share capital		265,900,484	265,900,484	265,900,484	265,900,484
Premium on ordinary shares	<i>21</i>	1,342,448,425	1,342,448,425	1,342,448,425	1,342,448,425
Retained earnings (Deficit)					
Appropriated	<i>22</i>				
Legal reserve		26,795,766	26,795,766	26,795,766	26,795,766
General reserve		2,285,000,000	2,785,000,000	2,285,000,000	2,785,000,000
Unappropriated		1,380,341,107	555,950,971	(501,735,576)	163,491,127
Other components of equity	<i>22</i>	2,423,428,048	3,426,499,327	2,328,724,952	3,352,020,657
Recognised in other comprehensive income in equity related to non-current assets held for sale	<i>10</i>	<u>1,020,757,124</u>	<u>-</u>	<u>1,020,757,124</u>	<u>-</u>
Total equity		<u>8,744,670,954</u>	<u>8,402,594,973</u>	<u>6,767,891,175</u>	<u>7,935,656,459</u>
Total liabilities and equity		<u>13,346,948,568</u>	<u>12,700,981,310</u>	<u>13,129,045,324</u>	<u>12,439,819,619</u>

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

Sermsuk Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2014	2013	2014	2013
<i>(in Baht)</i>					
Income	5, 23				
Revenue from sale of goods and rendering of services		10,384,808,947	11,171,987,254	10,366,234,037	11,233,666,481
Revenue from sale of trademark	4	1,280,810,294	-	-	-
Other income	24	132,943,155	285,538,200	195,366,229	369,904,865
Total income		11,798,562,396	11,457,525,454	10,561,600,266	11,603,571,346
Expenses					
Cost of sales of goods and rendering of services	5	7,822,291,246	8,114,736,550	7,973,061,857	8,357,713,164
Selling expenses	5, 25	3,091,281,604	2,949,971,598	3,076,197,466	2,927,097,886
Administrative expenses	5, 26	1,035,993,570	1,024,899,437	994,486,089	961,944,996
Finance costs		39,125,326	9,563,452	39,125,326	9,563,230
Total expenses		11,988,691,746	12,099,171,037	12,082,870,738	12,256,319,276
Share of profit of an associate, net of income tax	11	161,422,066	162,240,656	-	-
Loss before income tax expense		(28,707,284)	(479,404,927)	(1,521,270,472)	(652,747,930)
Income tax benefit	29	316,791,000	150,872,391	319,105,187	145,995,158
Profit (loss) for the year		288,083,716	(328,532,536)	(1,202,165,285)	(506,752,772)
Other comprehensive income					
Foreign currency translation differences for foreign operations		20,224,426	11,010,602	-	-
Net change in fair value of available-for-sale investments	13	(3,173,226)	(26,350,235)	(3,173,226)	(26,350,235)
Revaluation of land	22	-	641,651,521	-	565,850,521
Defined benefit plan actuarial gain	20	45,427,788	203,996,014	46,173,227	203,330,284
Income tax on other comprehensive income		(8,486,723)	(163,859,461)	(8,600,000)	(148,566,114)
Other comprehensive income for the year, net of income tax		53,992,265	666,448,441	34,400,001	594,264,456
Total comprehensive income (loss) for the year		342,075,981	337,915,905	(1,167,765,284)	87,511,684
Basic earnings (losses) per share (in Baht)	30	1.08	(1.24)	(4.52)	(1.91)

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

Sermuk Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements										
	Retained earnings					Other components of equity					Total equity
Note	Issued and paid-up share capital	Share premium	Legal reserve	General reserve	Unappropriated	Currency translation differences (in Baht)	Fair value changes in available-for-sale investments	Revaluation surplus	Share premium from business combination under common control	Total other components of equity	
Year ended 31 December 2013	265,900,484	1,342,448,425	26,795,766	3,089,000,000	1,081,414,867	(218,396)	41,811,931	2,914,610,116	(32,332,915)	2,923,870,736	8,729,430,278
Balance at 1 January 2013											
Transactions with owners, recorded directly in equity											
<i>Distribution to owners of the Company</i>											
Dividends to owners of the Company	31	-	-	-	(664,751,210)	-	-	-	-	-	(664,751,210)
Comprehensive income for the year											
Less											
Other comprehensive income					(328,532,536)	-	-	-	-	-	(328,532,536)
Total comprehensive income for the year					163,196,810	11,010,602	(21,080,188)	513,321,217	-	503,251,631	666,448,441
					(165,335,726)	11,010,602	(21,080,188)	513,321,217	-	503,251,631	337,915,905
Transfer to unappropriated retained earnings				(304,000,000)	304,000,000	-	-	-	-	-	-
Transfer surplus on disposal of land revaluation to retained earnings					623,040	-	-	(623,040)	-	(623,040)	-
Balance at 31 December 2013	265,900,484	1,342,448,425	26,795,766	2,785,000,000	555,950,971	10,792,206	20,731,743	3,427,308,293	(32,332,915)	3,426,499,327	8,402,594,973

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

Sernsuk Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements							Total equity				
	Retained earnings			Other components of equity								
	Issued and paid-up share capital	Share premium	Legal reserve	General reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments	Revaluation surplus	Revaluation surplus on land related to non-current assets held for sale	Share premium from business combination under common control	Total other components of equity	
Year ended 31 December 2014												
Balance at 1 January 2014	265,900,484	1,342,448,425	26,795,766	2,785,000,000	555,950,971	10,792,206	20,731,743	3,427,308,293	-	(32,332,915)	3,426,499,327	8,402,594,973
Comprehensive income for the year												
Profit	-	-	-	-	288,083,716	-	-	-	-	-	-	288,083,716
Other comprehensive income	-	-	-	-	36,306,420	20,224,426	(2,538,581)	-	-	-	17,685,845	51,992,265
Total comprehensive income for the year	-	-	-	-	324,390,136	20,224,426	(2,538,581)	-	-	-	17,685,845	342,075,981
Transfer to unappropriated retained earnings	-	-	-	(500,000,000)	500,000,000	-	-	-	-	-	-	-
Transfer to revaluation surplus on land related to non-current assets held for sale	-	-	-	-	-	-	-	(1,020,757,124)	1,020,757,124	-	-	-
Balance at 31 December 2014	265,900,484	1,342,448,425	26,795,766	2,285,000,000	1,380,341,107	31,016,632	18,193,162	2,406,551,169	1,020,757,124	(32,332,915)	3,444,185,172	8,744,670,954

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

Sernsuk Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements							Total equity	
	Retained earnings			Other components of equity					
	Issued and paid-up share capital	Share premium	Legal reserve - reserve	General reserve	Unappropriated (in Baht)	Fair value changes in available-for-sale investments	Revaluation surplus		Total other components of equity
Year ended 31 December 2013	265,900,484	1,342,448,425	26,795,766	3,089,000,000	867,707,842	41,811,931	2,879,231,537	2,921,043,468	8,512,895,985
Balance at 1 January 2013	-	-	-	-	(664,751,210)	-	-	-	(664,751,210)
Transactions with owners, recorded directly in equity									
<i>Distributions to owner of the Company</i>									
Dividends to owners of the Company	-	-	-	-	(664,751,210)	-	-	-	(664,751,210)
Comprehensive income for the year									
Loss	-	-	-	-	(506,752,772)	-	-	-	(506,752,772)
Other comprehensive income	-	-	-	-	162,664,227	(21,080,188)	452,680,417	431,600,229	594,264,456
Total comprehensive income for the year	-	-	-	-	(344,088,545)	(21,080,188)	452,680,417	431,600,229	87,511,684
Transfer to unappropriated retained earnings	-	-	-	(304,000,000)	304,000,000	-	-	-	-
Transfer surplus on disposal of land revaluation to retained earnings	-	-	-	-	623,040	-	(623,040)	(623,040)	-
Balance at 31 December 2013	265,900,484	1,342,448,425	26,795,766	2,785,000,000	163,491,127	20,731,743	3,331,288,914	3,352,020,657	7,935,656,459

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

Sermasuk Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements				Other components of equity			Total equity		
	Retained earnings (Deficit)		Fair value changes in available-for-sale investments	Revaluation surplus	Revaluation surplus on land related to non-current assets held for sale	Total other components of equity				
	Legal reserve	General reserve	Unappropriated (Deficit)	(in Baht)						
Year ended 31 December 2014										
Balance at 1 January 2014	265,900,484	1,342,448,425	26,795,766	2,785,000,000	163,491,127	20,731,743	3,331,288,914	-	3,352,020,657	7,935,656,459
Comprehensive income for the year										
Loss	-	-	-	(1,202,165,285)	-	-	-	-	-	(1,202,165,285)
Other comprehensive income	-	-	-	36,938,582	(2,538,581)	-	-	-	(2,538,581)	34,400,001
Total comprehensive income for the year	-	-	-	(1,165,226,703)	(2,538,581)	-	-	-	(2,538,581)	(1,167,765,284)
Transfer to unappropriated retained earnings	-	-	-	(500,000,000)	500,000,000	-	-	-	-	-
Transfer to revaluation surplus on land related to non-current assets held for sale	-	-	-	-	-	-	(1,020,757,124)	1,020,757,124	-	-
Balance at 31 December 2014	265,900,484	1,342,448,425	26,795,766	2,285,000,000	(501,735,576)	18,193,162	2,310,531,790	1,020,757,124	3,349,482,076	6,767,891,175

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

Sermasuk Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2014	2013	2014	2013
<i>(in Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit (loss) for the year		288,083,716	(328,532,536)	(1,202,165,285)	(506,752,772)
<i>Adjustments for</i>					
Depreciation and amortisation		563,178,699	570,958,006	511,962,276	520,478,332
Interest income		(2,284,435)	(9,365,486)	(9,124,637)	(18,487,517)
Finance costs		39,125,326	9,563,452	39,125,326	9,563,230
Dividends income		(4,059,243)	(22,738,005)	(62,079,243)	(103,738,005)
Unrealised (gain) loss on exchange		(2,559,312)	12,714,298	(2,561,299)	12,714,298
(Reversal of) allowance for doubtful accounts		23,874,319	(17,920,848)	23,874,319	(17,920,848)
Allowance for decline in value of inventories		169,999,930	57,546,693	164,068,394	58,085,691
Fair value changes in investment properties		(38,152,900)	(33,425,730)	(38,152,900)	(33,425,730)
Reversal of recognised loss on land revaluation		-	(9,659,809)	-	(9,659,809)
Gain on sale of trademark		(1,280,810,294)	-	-	-
Gain on disposal of property, plant and equipment		(19,995,102)	(61,521,582)	(19,366,178)	(61,194,750)
Loss on write-off equipment and intangible assets		2,769,238	-	-	-
Gain on sale of other long-term investment		-	(24,746,559)	-	(24,746,559)
Employee benefit expenses		96,233,010	88,906,733	95,259,807	88,138,337
Reversal of provision		-	(3,358,523)	-	(3,358,523)
Share of profit of an associate, net of income tax	11	(161,422,066)	(162,240,656)	-	-
Income tax benefit	29	(316,791,000)	(150,872,391)	(319,105,187)	(145,995,158)
		(642,810,114)	(84,692,943)	(818,264,607)	(236,299,783)
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(321,595,745)	248,553,011	(358,867,696)	216,709,573
Other receivables from related parties		(27,273,066)	41,877,797	(29,851,847)	44,304,253
Other receivables		(279,565,341)	273,344,245	(353,382,725)	273,818,589
Inventories		6,247,176	(265,063,854)	6,572,241	(212,526,913)
Prepaid excise taxes		36,035,814	96,350,474	35,733,636	103,456,097
Other current assets		11,135,834	4,294,628	3,842,804	(1,137,232)
Other non-current assets		4,876,322	7,952,666	4,876,322	7,952,665
Trade accounts payable		109,260,248	(471,267,839)	266,003,876	(362,536,816)
Other payables to related parties		67,797,854	(25,589,071)	(67,308,538)	106,895,713
Other payables		67,822,362	(100,175,285)	59,800,496	(93,566,279)
Accrued expenses		145,441,180	(305,142,120)	140,692,915	(299,043,126)
Customers' deposits on bottles and cases		(85,533,913)	(169,644,688)	(85,533,913)	(169,644,688)
Other current liabilities		(17,225,729)	1,902,528	(3,880,143)	(15,827,886)
Employee benefit paid		(27,455,969)	(67,387,089)	(27,436,919)	(67,206,201)
Provision paid		-	(14,512,578)	-	(14,512,578)
Provident fund paid		-	(1,125,009)	-	(1,125,009)
Cash used in operating activities		(952,843,087)	(830,325,127)	(1,227,004,098)	(720,289,621)
Income tax paid		(20,785,876)	(24,302,382)	(12,925,090)	(17,468,829)
Net cash used in operating activities		(973,628,963)	(854,627,509)	(1,239,929,188)	(737,758,450)

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

Sermsuk Public Company Limited and its Subsidiaries

Statement of cash flows

Note	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	2,284,435	9,732,601	9,809,174	18,932,605
Dividends received	62,079,243	103,738,005	62,079,243	103,738,005
Short-term loans to related parties	-	-	259,600,000	(15,600,000)
Long-term loan to a related party	-	2,000,000	-	2,000,000
Payment of shares to a subsidiary	-	-	(249,999,994)	(7)
Advance payment to a related party	-	86,465	-	-
Sale of other long-term investments	-	60,448,959	-	60,448,959
Purchase of other long-term investments	-	(22,399,780)	-	(22,399,780)
Purchase of plant and equipment	(631,604,391)	(758,211,476)	(604,858,038)	(735,589,479)
Sale of property, plant and equipment	22,069,552	72,647,121	21,428,430	72,226,772
Purchase of intangible assets	(989,767)	(12,567,308)	(989,767)	(9,337,611)
Sale of trademark	1,280,810,294	-	-	-
Restricted deposits at financial institution	334,448	1,664,046	334,448	1,664,046
Net cash from (used in) investing activities	734,983,814	(542,861,367)	(502,596,504)	(523,916,490)
<i>Cash flows from financing activities</i>				
Interest paid	(42,185,705)	(5,609,032)	(42,185,705)	(5,608,810)
Dividend paid to the owners of the Company	(115,813)	(666,195,006)	(115,813)	(666,195,006)
Proceeds from short-term loan from a related party	-	-	1,530,968,165	-
Proceeds from short-term loans from financial institutions	2,150,000,000	1,500,000,000	2,150,000,000	1,500,000,000
Repayment of short-term loans from financial institutions	(1,850,000,000)	(800,000,000)	(1,850,000,000)	(800,000,000)
Net cash from financing activities	257,698,482	28,195,962	1,788,666,647	28,196,184
Net increase (decrease) in cash and cash equivalents	19,053,333	(1,369,292,914)	46,140,955	(1,233,478,756)
Cash and cash equivalents at 1 January	186,256,297	1,544,538,609	139,683,614	1,373,162,370
Foreign currency translation difference for foreign operations	20,224,426	11,010,602	-	-
Cash and cash equivalents at 31 December	6 225,534,056	186,256,297	185,824,569	139,683,614
<i>Non-cash transactions</i>				
Increase (decrease) in payables for acquisition of machinery and equipment	9,568,848	(19,698,417)	14,545,430	(25,501,022)

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

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

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Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2015.

1 General information

Sermsuk Public Company Limited, “the Company”, is incorporated in Thailand and has its registered office at 252/35-36, Muang Thai-Phatra Complex, Tower 1, 27-28th Floor, Rachadapisek Road, Huay Kwang, Bangkok. The Company has its factories and warehouses in the important regions in Thailand.

The Company was listed on the Stock Exchange of Thailand in June 1975.

The immediate and ultimate parent companies during the financial year were Thai Beverage Logistics Co., Ltd. and Thai Beverage Public Company Limited. Both were incorporated in Thailand.

The principal activities of the Company are to produce and distribute soft drinks, drinking water, mixers and other beverages, including as distributor of energy drinks and tea. Details of the Company’s subsidiaries as at 31 December 2014 and 2013 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Direct subsidiaries</i>				
Great Brands Limited	Manage brands	Hong Kong	100.00	100.00
Sermsuk Holdings Co., Ltd.	Investment and holding shares in other companies	Thailand	99.99	99.99
Sermsuk Training Co., Ltd.	Human resources development and organisation	Thailand	99.99	99.99
<i>Indirect subsidiaries</i>				
Serm Suk Beverage Co., Ltd.	Produce and distribute tea, fruit juice and sports drinks	Thailand	99.99	99.99
Wranger Beverage (2008) Co., Ltd.	Produce and distribute energy drink	Thailand	99.99	99.99

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

The FAP has issued the following new and revised TFRS relevant to the Group's operations and effective for annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
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 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
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 10	Interim Financial Reporting and Impairment
TFRIC 13	Customer Loyalty Programmes
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 37.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- available-for-sale financial assets are measured at fair value;
- investment properties are measured at fair value;

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 3(s)	Current and deferred taxation
Note 14	Valuation of investment properties
Note 17	Utilisation of tax losses
Note 20	Measurement of defined benefit obligations
Note 35	Provisions and contingencies

(e) *Financial position and operating plan*

The consolidated financial statements of the Company incurred a net profit of Baht 288.08 million for the year ended 31 December 2014 (2013: net loss of Baht 328.53 million) and the separate financial statements incurred a net loss of Baht 1,202.17 million for the year ended 31 December 2014 (2013: Baht 506.75 million). And as of that date, the Company had net current liabilities of Baht 199.34 million (2013: net current assets of Baht 359.65 million). The Company's management has given careful consideration to the Company's financial and liquidity position and has taken various measures to improve its financial position, liquidity, cash flows and operating results. The measures include the new brand and flavour production as well as using technology to manage operations effectively and undertake effective promotional activities to broaden customer bases and reach target customers by group collaboration in terms of production, distribution and brand building. However, in 2015 the Company will have proceeds from sale of the land and buildings of Thonburi branch approximately Baht 1,700 million, an increase in retained earnings, net of income tax, of Baht 1,020.76 million and also proceeds from service fee of Consultancy Services Agreement in amount of Baht 130 million per year in 2015 and 2016.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in an associate.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Associate

Associate is that entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investment in an associate is accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and is recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operation

The assets and liabilities of foreign operation is translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operation is translated to Thai Baht at rates average approximating the foreign exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(d) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) *Inventories*

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

Cost of finished goods, work in progress, other supplies, and bottles and cases are calculated using the weighted average cost principle and cost of raw materials, supplies, and spare part are calculated using the moving-average cost principle. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

The Group records an allowance for decline in value of inventories for all deteriorated and obsolete inventories.

(f) *Non-current assets held for sale*

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

(g) *Investments*

Investments in an associate and subsidiaries

Investments in an associate and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investment in an associate in the consolidated financial statements is accounted for using the equity method.

Investments in equity securities

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation, allowance for loss of marketing equipment and impairment losses except for land which is stated at its revalued amounts.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings, warehouses and improvement	20 - 30 years
Condominium	30 years
Machinery, equipment and tools	5 - 20 years
High voltage equipment	10 years
Vehicles	5 - 10 years
Furniture and office equipment	3 - 5 years
Plastic pallets	5 years
Marketing promotion equipments	5 years

No depreciation is provided on freehold land or assets under construction and installment.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Intangible assets*

Trademarks

Trademarks that are acquired by the Group and have infinite useful lives are measured at cost.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licenses	10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

(k) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that has been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised, in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Loyalty programmes

The Group has a customer loyalty programme whereby customers are awarded credits (Points) entitling customers to the right to purchase products from the Group at a discount or qualify for a free gift. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount or fair value of the free gift. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Group has fulfilled its obligations to supply the products. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

Investments

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of lease.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income and other income

Interest income and other income are recognised in profit or loss as it accrues.

(q) Finance costs

Finance costs comprise interest expense on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Significant transactions

(a) Sale of the trademark "est" and formulae

At the Board of Directors' meeting held on 27 October 2014, the Board of Directors approved that the Group enter into a conditional sale transaction of "est" trademark with International Beverage Holdings Limited, the Company's related party, and to appoint an independent financial advisor to provide an opinion on the entry into the disposal of assets transaction to the shareholders of the Company.

At the Board of Directors' meeting held on 20 November 2014, the Board of Directors approved the amendment of the resolution of the Board of Directors' meeting held on 27 October 2014, relating to the material substance of the sale transaction of the trademark by altering the purchaser to Super Brands Company Pte Ltd., the Company's related party, and entering into the sale transaction of trademark which is not a conditional sale. The purchaser will make payment for the trademark in the amount of Baht 1,300 million as at the execution date of the sale and purchase agreement, and the purchaser will pay the Company for its technical support and know-how in the second and third years after the execution date of such agreement in the amount of Baht 130 million per annum, totalling Baht 1,560 million.

In addition, the Board of Directors approved that the Company would enter into a manufacturing and distribution agreement with the purchaser or its designed person in exchange for a consideration based on actual distribution volume. The terms and conditions are on an arm's length basis and in the same manner that the Company contracts with other companies or contractual parties.

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Notes to the financial statements

At the Extraordinary General Meeting of the shareholders held on 23 December 2014, the shareholders approved the entry into the sales transaction of trademark “est” between the Group and Super Brands Company Pte Ltd. and related transactions. On the same day, Great Brands Limited, the Company’s subsidiary, entered into sale agreement of trademark “est” and formulae with Super Brands Company Pte Ltd. amounting to Baht 1,300 million and arranged registration for transfer of ownership of trademark “est” and formulae. The said subsidiary received full payment for the trademark and formulae on 24 December 2014. Revenue was recognised from sale of trademark “est” by the Group as follows:

	Consolidated financial statements 2014 (in million Baht)
<i>Year ended 31 December</i>	
Revenue from sale of trademark “est”	1,299.69
Foreign currency translation differences for foreign operation	(18.88)
Net	<u>1,280.81</u>

Consultancy Services Agreement

On 23 December 2014, the Company entered into a Consultancy Services Agreement with a related company to manage warehouse, product distribution, and supply chain especially overseas market. The Company has to comply with certain conditions contained in the agreement for a period of two years from 1 January 2015 to 31 December 2016.

(b) Classification of land and buildings of Thonburi branch to non-current assets held for sale

At the Board of Directors’ meeting held on 27 May 2014, the Board of Directors approved in principle for the plan to sell land and buildings of Thonburi branch of the Company, appointed C.I.T. Property Consultants Company Limited as its agent and determined the land sale procedure would be by public auction and the minimum price was Baht 1,550 million. Subsequently, on 19 September 2014, Kasemsapsiri 4 Co., Ltd., the Company’s related party, was the winner bidder of the land and buildings amounting to Baht 1,809.81 million.

At the Board of Directors’ meeting held on 29 September 2014, the Board of Directors approved the Company to sell its land and buildings of Thonburi branch to Kasemsapsiri 4 Co., Ltd., and to appoint an independent financial advisor to provide an opinion on the entry into the disposal of assets transaction to the shareholders of the Company.

At the Extraordinary General Meeting of the shareholders held on 23 December 2014, the shareholders approved that the Company shall enter into the sales of the land and buildings of Thonburi branch to Kasemsapsiri 4 Co., Ltd. The Group expects to receive net profit from the transaction in 2015 approximately to Baht 356 million.

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Notes to the financial statements

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and an associate are described in notes 1, 11 and 12. Relationships with key management and other related parties that have transactions with the Group were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Thai Beverage Can Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold 50% substantial shares indirectly
Sang Som Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Krittayabun Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Modern Trade Management Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Beer Thai (1991) PCL.	Thailand	Direct subsidiary of the ultimate parent company
Beer Thip Brewery (1991) Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Thai Beverage Recycle Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Thai Beverage Marketing Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Dhospaak Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Thai Drinks Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Sura Bangyikhan Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Thurakij Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Muang Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Nakorn Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Palang Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Kijjakarn Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Numrungrad Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Numthip Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Oishi Group PLC.	Thailand	Direct subsidiary of the ultimate parent company
Oishi Trading Co., Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
Oishi Ramen Co., Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
Chang International Co., Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
InterBev (Singapore) Limited	Singapore	Indirect subsidiary of the ultimate parent company
Super Brands Company Pte Ltd.	Singapore	Indirect subsidiary of the ultimate parent company
Dhanasindhi Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
The Southeast Insurance PLC.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
The Southeast Capital Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
F & B International Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.

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Name of entities	Country of incorporation/ nationality	Nature of relationships
T.C.C. Technology Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
Plaza Athenee Hotel (Thailand) Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
The Pet Co., Ltd.	Thailand	The Company and directors hold ordinary shares and common directors
Crown Seal PLC.	Thailand	The Company hold ordinary shares and common director
Muangthai Insurance PLC.	Thailand	The directors hold ordinary shares and common director
Muangthai Life Insurance PLC.	Thailand	The directors hold ordinary shares and common director
The Bangkok Thonburi Insurance Co., Ltd.	Thailand	The directors hold ordinary shares and common director
Bangkok Glass PLC.	Thailand	The Company and directors hold ordinary shares
Petpack Co., Ltd.	Thailand	The Company hold ordinary shares
Phatra-leasing PLC.	Thailand	Common director
Berli Jucker PLC.	Thailand	Common directors
Thai Malaya Glass Co., Ltd.	Thailand	Common directors
Gaew Grung Thai Co., Ltd.	Thailand	Controlling equity holder of the ultimate parent company holds substantial shares indirectly
F&N Beverages Manufacturing Sdn Bhd	Singapore	Affiliated company in associate of the ultimate parent company
F&N Interflavine Pte Ltd.	Singapore	Affiliated company in associate of the ultimate parent company

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales of goods and rendering of services	Cost plus gross profit margin
Interest income and interest expense-	Rate as mutually agreed with reference to interest rate quoted by domestic commercial bank
Purchase of finished goods and raw materials	Cost of finished goods and raw materials plus gross profit margin
Trademark fee	Contractual prices
Subsidy for marketing expenses	Actual price stated in invoice
Directors' remuneration representing salary, director bonus and meeting allowance	Approval by the Company's directors and shareholders

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Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Parent				
Dividend paid	-	429,808	-	429,808
An associate				
Purchase of raw materials	730,166	617,295	730,166	617,295
Dividend income	58,020	81,000	58,020	81,000
Subsidiaries				
Sale of goods and rendering of services	-	-	184,800	263,769
Purchase of finished goods and services	-	-	626,798	628,062
Trademark fee	-	-	116,191	141,101
Interest income	-	-	7,442	11,309
Selling and administrative expenses	-	-	11,119	6,891
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	75,480	70,597	75,480	70,597
Post-employment benefits	5,337	4,968	5,337	4,968
Other long-term benefits	3	4	3	4
Directors' remunerations	9,962	7,571	9,962	7,571
Total key management personnel compensation	<u>90,782</u>	<u>83,140</u>	<u>90,782</u>	<u>83,140</u>
Other related parties				
Sale of goods and rendering of services	483,458	44,407	483,458	32,897
Purchase of finished goods and raw materials	2,314,509	2,098,952	2,230,895	1,996,133
Purchase of machinery	-	4,000	-	4,000
Subsidy for marketing expense	158,603	69,692	158,603	67,735
Selling expenses	111,214	32,105	111,214	32,105
Administrative expenses	35,169	38,803	34,833	38,254
Dividend income	4,059	22,402	4,059	22,402
Other income	1,284,249	9,534	3,418	9,161

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Ultimate Parent Company	1	18	1	18
Subsidiaries	-	-	88,338	44,285
Other related parties	361,632	8,353	361,632	8,353
Total	<u>361,633</u>	<u>8,371</u>	<u>449,971</u>	<u>52,656</u>

Sermsuk Public Company Limited and its Subsidiaries
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<i>Other receivables from related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	44,754	45,517
An associate	1,527	-	1,527	-
Other related parties	48,815	23,069	48,804	20,401
Total	50,342	23,069	95,085	65,918

<i>Loans to related parties</i>	Interest rate		Consolidated		Separate	
	2014	2013	financial statements		financial statements	
	2014	2013	2014	2013	2014	2013
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiaries						
Sermsuk Holdings Co., Ltd.	3.20	3.20	-	-	-	244,000
Wranger Beverage (2008) Co., Ltd.	3.10	3.10	-	-	125,000	140,600
Total			-	-	125,000	384,600
Long-term loan						
Other related party						
The Pet Co., Ltd.	4.50	5.25	3,000	3,000	3,000	3,000

Summary of loans to related parties						
Short-term loans			-	-	125,000	384,600
Long-term loan			3,000	3,000	3,000	3,000
Total			3,000	3,000	128,000	387,600

Movement during the years ended 31 December of loans to related parties were as follows:

<i>Short-term loans to related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	384,600	369,000
Increased	-	-	-	15,600
Decreased	-	-	(259,600)	-
At 31 December	-	-	125,000	384,600

<i>Long-term loan to a related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Other related party				
At 1 January	3,000	5,000	3,000	5,000
Decreased	-	(2,000)	-	(2,000)
At 31 December	3,000	3,000	3,000	3,000

Sermsuk Public Company Limited and its Subsidiaries
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<i>Trade accounts payable to related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	293,869	137,897
An associate	127,693	72,364	127,693	72,364
Other related parties	346,362	307,205	323,221	289,524
Total	474,055	379,569	744,783	499,785

<i>Other payables to related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	34,316	174,989
Other related parties	92,457	24,659	92,432	19,068
Total	92,457	24,659	126,748	194,057

<i>Short-term loan from a subsidiary</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Great Brands Limited	-	-	1,530,968	-

Movement during the years ended 31 December of short-term loan from a subsidiary were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Increased	-	-	1,530,968	-
At 31 December	-	-	1,530,968	-

Balances with key management personnel

Outstanding balances relating to key management personnel over which they have control or significant influence were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Employee benefit obligations	77,497	69,910	77,497	69,910

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Significant agreements with related parties

Loan agreements

On 21 May 2009 and 31 January 2010, the Company and a related company, "Borrower", agreed to change subordinated loan agreements totalling Baht 5 million to long-term loan agreements in the amount of Baht 3 million and Baht 2 million, respectively, and repay within 20 May 2014 and 31 January 2015, respectively. These agreements shall continue to be in effect for another period of five years if there is no change at the maturity date. Interests are payable quarterly at the MRR of a financial institution at the beginning of each quarter. Subsequently on 1 January 2013, the Company and Borrower agreed to change the interest rate from MRR to Money Market Rate of a financial institution at the beginning of each quarter. On 1 April 2013, the borrower repaid the aforesaid loan to the Company of Baht 2 million.

On 12 December 2012, the Company entered into a short-term loan agreement with Wranger Beverage (2008) Co., Ltd. of Baht 125 million which is repayable at call. Interest is payable quarterly at rate as stipulated in the agreement.

On 18 December 2014, the Company entered into a short-term loan agreement with Great Brands Limited for a loan facility of Baht 1,700 million. Interest is at rate as stipulated in the agreement or further agreed which is repayable in full on the first anniversary of the first drawdown date or such other date which the lender specifies. As at 31 December 2014, the Company had utilised short-term loan facility totalling Baht 1,530.97 million.

Appointment agreement

The Company entered into an agreement with a related company to be appointed to distribute bottled green tea. The Company has to comply with certain conditions contained in the agreement for a period of three years including a renewal option.

Co-packing and distribution agreement

The Company and its subsidiary entered into a "Co-packing and Distribution" agreement with a related company to produce and distribute returnable glass bottled tea drinks. The Company and its subsidiary have to comply with certain conditions contained in the agreement for a period of five years which ends on 31 July 2017.

Trademark license agreement

The Company entered into a trademark license agreement with a subsidiary for the right to use trademark in producing, packaging, selling and distributing the products as stipulated in the agreement. The Company has to comply with certain conditions contained in the agreement for which the duration is not specified. This agreement was effective from 2 November 2012. The Company is committed to pay a trademark fee at the rate as stipulated in the agreement. Subsequently on 24 December 2014, the Company terminated the agreement, effective from 31 December 2014 onwards.

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

Commitments with related parties

Operating lease commitments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within one year	12,056	8,144	11,804	7,868
After one year but within five years	19,838	13,529	19,838	13,277
Total	31,894	21,673	31,642	21,145

Other commitment

As at 31 December 2014, the Company has no commitment for purchase orders for goods with related parties (2013: Baht 174.45 million).

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cash on hand	22,964	63,334	22,934	56,528
Call deposits	202,570	122,922	162,891	83,156
Total	225,534	186,256	185,825	139,684

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	219,928	179,480	185,825	139,684
Hong Kong Dollars (HKD)	5,606	6,776	-	-
Total	225,534	186,256	185,825	139,684

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

7 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Related parties	5	361,633	8,371	449,971	52,656
Other parties		466,255	497,924	436,524	474,973
Total		827,888	506,295	886,495	527,629
Less allowance for doubtful accounts		(40,054)	(16,566)	(40,054)	(16,566)
Net		787,834	489,729	846,441	511,063
(Reversal of) bad and doubtful debts expenses for the year		23,488	(2,667)	23,488	(2,667)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	299,463	8,371	387,801	52,656
Overdue:				
Less than 1 month	62,170	-	62,170	-
	361,633	8,371	449,971	52,656
Other parties				
Within credit terms	180,698	405,676	159,511	386,019
Overdue:				
Less than 1 month	88,174	53,316	79,671	50,270
1 - 3 months	169,954	29,484	169,954	29,236
Over 3 months	27,429	9,448	27,388	9,448
	466,255	497,924	436,524	474,973
Less allowance for doubtful accounts	(40,054)	(16,566)	(40,054)	(16,566)
Net	426,201	481,358	396,470	458,407
Total	787,834	489,729	846,441	511,063

The normal credit term granted by the Group ranges from 10 days to 60 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Thai Baht (THB)	787,554	489,729	846,161	511,063
United States Dollars (USD)	280	-	280	-
Total	787,834	489,729	846,441	511,063

Sermsuk Public Company Limited and its Subsidiaries

Notes to the financial statements

8 Other receivables

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Other receivables	62,457	93,514	62,417	93,502
Less allowance for doubtful accounts	(22,101)	(21,715)	(22,101)	(21,715)
Net	40,356	71,799	40,316	71,787
Prepaid expenses	61,931	68,790	59,946	66,495
Advance payment	8,930	6,907	8,408	6,364
Unearned revenue	347	208	347	208
Total	111,564	147,704	109,017	144,854
(Reversal of) bad and doubtful debts expenses for the year	386	(15,253)	386	(15,253)

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Finished goods	461,444	351,362	452,415	325,953
Work in progress	5,327	4,366	5,327	4,366
Raw materials and supplies	187,677	260,835	115,803	132,057
Spare parts	117,050	120,432	111,508	114,292
Other supplies	4,054	3,816	4,054	3,816
Bottles and cases	1,747,839	1,566,906	1,716,212	1,535,146
	2,523,391	2,307,717	2,405,319	2,115,630
Less allowance for decline in value	(195,036)	(81,427)	(189,174)	(81,299)
Net	2,328,355	2,226,290	2,216,145	2,034,331
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	7,524,560	7,837,665	7,852,573	8,257,526
- Write-down to net realisable value	197,948	272,900	191,899	272,388
- Reversal of write-down	(27,948)	(215,353)	(27,831)	(214,303)
Net	7,694,560	7,895,212	8,016,641	8,315,611

Sermasuk Public Company Limited and its Subsidiaries

Notes to the financial statements

10 Non-current assets held for sale

The Company's land and buildings of Thonburi branch are presented as non-current assets held for sale according to the resolution of the Extraordinary General Meeting of the shareholders held on 23 December 2014 to approve for the Company to entry into the sales transaction with the Company's related party. Actions to commence the transaction have already started, and the completion of the transfer transaction is expected by April 2015.

Details of the group of assets classified as non-current assets held for sale as at 31 December 2014 was as follows:

	<i>Note</i>	Consolidated and separated financial statements (in thousand Baht)
Assets		
Land	15	1,281,280*
Buildings, warehouses and improvement		9,225
		<u><u>1,290,505</u></u>

* Amount of Baht 1,275.95 million which related to assets is recognised in other comprehensive income and accumulated in equity.

11 Investment in an associate

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
At 1 January	276,308	195,067	30,000	30,000
Share of net profit of equity				
- accounted investment	161,422	162,241	-	-
Dividend income	(58,020)	(81,000)	-	-
At 31 December	<u><u>379,710</u></u>	<u><u>276,308</u></u>	<u><u>30,000</u></u>	<u><u>30,000</u></u>

Sermasuk Public Company Limited and its Subsidiaries
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Investment in an associate as at 31 December 2014 and 2013, and dividend income from this investment for the years then ended, were as follows:

	Consolidated financial statements													
	Ownership interest (%)	2014	2013	Paid-up capital	2014	2013	Cost	2014	2013	Equity	2014	2013	Dividend income	2014
Petform (Thailand) Limited	40	40	75,000	75,000	30,000	30,000	30,000	30,000	379,710	276,308	58,020	81,000	58,020	81,000
									<i>(in thousand Baht)</i>					

	Separate financial statements										
	Ownership interest (%)	2014	2013	Paid-up capital	2014	2013	Cost	2014	2013	Dividend income	2014
Petform (Thailand) Limited	40	40	75,000	75,000	30,000	30,000	30,000	30,000	30,000	58,020	81,000
									<i>(in thousand Baht)</i>		

Petform (Thailand) Limited produce and distribute perform, bottle caps, and bottles for the carbonated and non-carbonated soft drink, water and edible oil industries in Thailand.

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The following summarised financial information on an associated company which has been accounted for using the equity method is not adjusted for the percentage of ownership held by the Group:

	Reporting date	Ownership (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total income	Total expense	Net profit
2014											
Petform (Thailand) Limited	31 December	40	<u>706.75</u>	<u>1,596.40</u>	<u>2,303.15</u>	<u>881.28</u>	<u>472.75</u>	<u>1,354.03</u>	<u>2,874.53</u>	<u>2,470.97</u>	<u>403.56</u>
2013											
Petform (Thailand) Limited	31 December	40	<u>485.46</u>	<u>1,619.41</u>	<u>2,014.87</u>	<u>947.42</u>	<u>466.17</u>	<u>1,413.59</u>	<u>2,186.79</u>	<u>1,781.35</u>	<u>405.44</u>

(in million Baht)

Sermsuk Public Company Limited and its Subsidiaries
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12 Investments in subsidiaries

	Separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
At 1 January	356,634	356,634
Payment of the remaining unpaid portion of shares	150,000	-
Acquisitions	100,000	-
At 31 December	<u>606,634</u>	<u>356,634</u>

At the Board of Directors meeting of Sermsuk Holdings Co., Ltd., a subsidiary of the Company, held on 14 January 2014, the Board of Directors approved for shareholders to pay up the remaining unpaid portion of shares of Baht 3 per share, amounting to Baht 150 million. The unpaid portion of shares was paid in March 2014.

At the Board of Directors meeting of the Company held on 11 August 2014, the Board of Directors approved to subscribe for the additional share capital in Sermsuk Holdings Co., Ltd., a subsidiary of the Company, of 10 million ordinary shares with a Baht 10 par value, amounting to Baht 100 million. The additional share capital was paid in September 2014.

Sermasuk Public Company Limited and its Subsidiaries
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Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended, were as follows:

Subsidiaries	Type of business	Ownership interest (%)		Separate financial statements (in thousand Baht)					
		2014	2013	Paid-up capital 2014	2013	Cost 2014	2013	Dividend income 2014	2013
Direct subsidiaries									
Sermasuk Holdings Co., Ltd.	Investment and holding shares in other companies	99.99	99.99	600,000	350,000	600,000	350,000	-	-
Great Brands Limited	Manage brands	100.00	100.00	HKD 1,000	HKD 1,000	4,134	4,134	-	-
Sermasuk Training Co., Ltd.	Human resources development and organisation	99.99	99.99	2,500	2,500	2,500	2,500	-	-
Total						606,634	356,634	-	-

All subsidiaries were incorporate in Thailand, except Great Brands Limited which was incorporated in Hong Kong.

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13 Other long-term investments

Other long-term investments as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended, were as follows:

	Consolidated and Separate financial statements			
	Cost method		Dividend income	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Equity securities available for sale</i>				
Crown Seal Public Company Limited	31,732	31,732	1,851	1,586
Future Park Property Fund	-	-	-	336
	<u>31,732</u>	<u>31,732</u>	<u>1,851</u>	<u>1,922</u>
<i>Add</i> valuation adjustment	22,742	25,915	-	-
	<u>54,474</u>	<u>57,647</u>	<u>1,851</u>	<u>1,922</u>
<i>Non marketable equity securities</i>				
The Pet Company Limited	7,000	7,000	700	700
Bangkok Glass Public Company Limited	74,799	74,799	1,508	20,116
Petpack Company Limited	35,000	35,000	-	-
	<u>116,799</u>	<u>116,799</u>	<u>2,208</u>	<u>20,816</u>
Total	<u>171,273</u>	<u>174,446</u>	<u>4,059</u>	<u>22,738</u>

Movements during the years ended 31 December of other long-term investments were as follows:

	Consolidated and Separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
<i>Equity securities available for sale</i>		
At 1 January	57,647	119,700
Selling during the year	-	(35,703)
Valuation adjustment	(3,173)	(26,350)
At 31 December	<u>54,474</u>	<u>57,647</u>
<i>Non marketable equity securities</i>		
At 1 January	116,799	94,399
Purchases during the year	-	22,400
At 31 December	<u>116,799</u>	<u>116,799</u>
Total	<u>171,273</u>	<u>174,446</u>

Other long-term investments of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

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14 Investment properties

	<i>Note</i>	Consolidated and Separate financial statements		
		Land	Building	Total
<i>(in thousand Baht)</i>				
Fair value method				
At 1 January 2013		30,676	2,481	33,157
Transfer from property, plant and equipment	15	165,566	-	165,566
Fair value adjustments		33,324	102	33,426
At 31 December 2013 and 1 January 2014		229,566	2,583	232,149
Fair value adjustments		35,635	2,517	38,152
At 31 December 2014		265,201	5,100	270,301

Investment properties were revalued as at 31 December 2014 and 2013 by Thai Property Appraisal Lynn Philips Co., Ltd. and C.I.T. Appraisal Co., Ltd., respectively, firms of independent professional valuers, at open market values on an existing use basis.

Investment properties comprise lands which are held for business operations in the future but not yet utilised and land and building that are leased to third parties for a period of three years.

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15 Property, plant and equipment

	Consolidated financial statements											
	Historical cost	Land	Buildings, warehouses and improvement	Condo-miniums	Machinery, equipment and tools	High voltage equipment	Vehicles	Furniture and office equipment	Plastic pallets	Marketing promotion equipments	Assets under construction and installation	Total
	Surplus on revaluation											
<i>Cost/revaluation</i>												
At 1 January 2013	653,044	3,644,204	2,123,265	142,150	5,262,214	41,849	2,018,853	282,898	338,638	3,711,660	361,829	18,580,604
Additions	-	651,311	15,711	-	86,394	39	3,842	15,103	-	105,249	513,078	1,390,727
Transfers	-	-	147,508	29,333	271,883	-	12,312	1,116	-	-	(462,152)	-
Transfer to investment property	(165,566)	-	-	-	-	-	-	-	-	-	-	(165,566)
Disposals	(1,345)	(779)	(6,015)	-	(25,245)	-	(213,120)	(10,378)	(6,354)	(69,911)	(372)	(333,519)
At 31 December 2013	486,133	4,294,736	2,280,469	171,483	5,595,246	41,888	1,821,887	288,739	332,284	3,746,998	412,383	19,472,246
At 1 January 2014	-	-	14,817	-	37,953	1,065	5,457	37,919	21,120	130,278	392,585	641,194
Additions	-	-	115,735	360	166,775	-	2,835	658	-	1,891	(288,254)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to non-current assets held for sale	(5,334)	(1,275,946)	(45,257)	-	-	-	-	-	-	-	-	(1,326,537)
Disposals	-	-	(228)	-	(17,448)	-	(53,301)	(5,897)	(1,003)	(39,821)	-	(117,698)
At 31 December 2014	480,799	3,018,790	2,365,536	171,843	5,782,526	42,953	1,776,878	321,419	352,401	3,839,346	516,714	18,669,205

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Consolidated financial statements

	Land		Buildings, warehouses and improvement		Condo-miniums	Machinery, equipment and tools	High voltage equipment	<i>(in thousand Baht)</i>		Furniture and office equipment	Plastic pallets	Marketing promotion equipments	Assets under construction and installation	Total
	Historical cost	Surplus on revaluation						Vehicles						
Depreciation														
At 1 January 2013	-	-	1,133,303	114,562	3,693,028	27,681	1,617,467	238,765	321,087	3,446,014	-	10,591,907		
Depreciation change for the year	-	-	72,186	3,490	258,955	2,231	75,686	20,094	7,642	119,567	-	559,851		
Transfers	-	-	(10,877)	10,877	56	-	-	(55)	-	(1)	-	-		
Disposals	-	-	(3,851)	-	(23,755)	-	(207,301)	(10,338)	(6,352)	(69,890)	-	(321,487)		
At 31 December 2013 and 1 January 2014	-	-	1,190,761	128,929	3,928,284	29,912	1,485,852	248,466	322,377	3,495,690	-	10,830,271		
Depreciation change for the year	-	-	79,223	3,847	270,521	2,180	61,454	20,651	6,610	113,931	-	558,417		
Transfers	-	-	-	-	32	-	-	17	-	(49)	-	-		
Transfer to investment property	-	-	(36,032)	-	-	-	-	-	-	-	-	(36,032)		
Disposals	-	-	(228)	-	(16,095)	-	(52,659)	(5,822)	(1,003)	(39,818)	-	(115,625)		
At 31 December 2014	-	-	1,233,724	132,776	4,182,742	32,092	1,494,647	263,312	327,984	3,569,754	-	11,237,031		
Allowance for loss of marketing promotion equipments														
At 1 January 2013	-	-	-	-	-	-	-	-	-	5,330	-	5,330		
At 31 December 2013 and 1 January 2014	-	-	-	-	-	-	-	-	-	5,330	-	5,330		
At 31 December 2014	-	-	-	-	-	-	-	-	-	5,330	-	5,330		
Net book value														
At 1 January 2013	653,044	3,644,204	989,962	27,588	1,569,186	14,168	401,386	44,133	17,551	260,316	361,829	7,983,367		
At 31 December 2013 and 1 January 2014	486,133	4,294,736	1,089,708	42,554	1,666,962	11,976	336,035	40,273	9,907	245,978	412,383	8,636,645		
At 31 December 2014	480,799	3,018,790	1,131,812	39,067	1,599,784	10,861	282,231	58,107	24,417	264,262	516,714	7,426,844		

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Cost/revaluation	Separate financial statements											Total									
	Land		Buildings, warehouses and improvement		Condo-miniums		Machinery and equipment		High voltage equipment		Vehicles		Furniture and office equipment		Plastic pallets		Marketing promotion equipments		Assets under construction and installation		
	Historical cost	Surplus on revaluation	Buildings, warehouses and improvement	Condo-miniums	Machinery and equipment	High voltage equipment	Vehicles	Furniture and office equipment	Plastic pallets	Marketing promotion equipments	Assets under construction and installation		(in thousand Baht)		Furniture and office equipment	Plastic pallets	Marketing promotion equipments	Assets under construction and installation			
At 1 January 2013	528,541	3,599,981	1,826,833	142,150	4,741,271	41,849	2,008,330	274,618	314,778	3,711,660	361,009	274,618	314,778	3,711,660	361,009	17,551,020					
Additions	-	575,510	14,476	-	83,374	39	3,842	14,507	-	105,249	488,599	-	-	105,249	488,599	1,285,596					
Transfers	-	-	146,981	29,333	252,377	-	12,312	824	-	-	(441,827)	-	-	-	(441,827)	-					
Transfer to investment property	(165,566)	-	-	-	-	-	-	-	-	-	-	-	-	-	(165,566)	-					
Disposals	(1,345)	(779)	(6,015)	-	(24,530)	-	(212,646)	(10,378)	(6,354)	(69,911)	-	-	-	-	-	(331,958)	-				
At 31 December 2013																					
At 1 January 2014	361,630	4,174,712	1,982,275	171,483	5,052,492	41,888	1,811,838	279,571	308,424	3,746,998	407,781	279,571	308,424	3,746,998	407,781	18,339,092					
Additions	-	-	11,103	-	34,362	1,065	4,441	37,471	21,120	130,278	379,568	-	-	130,278	379,568	619,408					
Transfers	-	-	114,912	360	151,483	-	2,835	658	-	1,891	(272,139)	-	-	1,891	(272,139)	-					
Transfer to non-current assets held for sale	(5,334)	(1,275,946)	(45,257)	-	-	-	-	-	-	-	-	-	-	-	-	(1,326,537)	-				
Disposals	-	-	(228)	-	(16,553)	-	(50,136)	(5,880)	(1,003)	(39,821)	-	-	-	-	-	(113,621)	-				
At 31 December 2014	356,296	2,898,766	2,062,805	171,843	5,221,784	42,953	1,768,978	311,820	328,541	3,839,346	515,210	311,820	328,541	3,839,346	515,210	17,518,342					

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	Separate financial statements										Total										
	Land		Buildings, warehouses and improvement		Condo-miniums		Machinery and equipment		High voltage equipment			Vehicles		Furniture and office equipment		Plastic pallets		Marketing promotion equipments		Assets under construction and installation	
	Historical cost	Surplus on revaluation																			
Depreciation																					
At 1 January 2013	-	-	989,315	114,562	3,320,688	27,681	1,609,716	231,598	297,228	3,446,014	-	10,036,802									
Depreciation charge for the year	-	-	57,180	3,490	225,326	2,231	74,719	19,653	7,644	119,569	-	509,812									
Transfers	-	-	(10,877)	10,877	56	-	-	(55)	-	(1)	-	-									
Disposals	-	-	(3,851)	-	(23,668)	-	(206,826)	(10,338)	(6,354)	(69,892)	-	(320,929)									
At 31 December 2013 and 1 January 2014	-	-	1,031,767	128,929	3,522,402	29,912	1,477,609	240,858	298,518	3,495,690	-	10,225,685									
Depreciation charge for the year	-	-	64,066	3,847	236,002	2,180	60,415	20,147	6,610	113,931	-	507,198									
Transfers	-	-	-	-	32	-	-	17	-	(49)	-	-									
Transfer to investment property	-	-	(36,032)	-	-	-	-	-	-	-	-	(36,032)									
Disposals	-	-	(228)	-	(15,213)	-	(49,493)	(5,804)	(1,003)	(39,818)	-	(111,559)									
At 31 December 2014	-	-	1,059,573	132,776	3,743,223	32,092	1,488,531	255,218	304,125	3,569,754	-	10,585,292									
Allowance for loss of marketing promotion equipments																					
At 1 January 2013	-	-	-	-	-	-	-	-	-	5,330	-	5,330									
At 31 December 2013 and 1 January 2014	-	-	-	-	-	-	-	-	-	5,330	-	5,330									
At 31 December 2014	-	-	-	-	-	-	-	-	-	5,330	-	5,330									
Net book value																					
At 1 January 2013	528,541	3,599,981	837,518	27,588	1,420,583	14,168	398,614	43,020	17,550	260,316	361,009	7,508,888									
At 31 December 2013 and 1 January 2014	361,630	4,174,712	950,508	42,554	1,530,090	11,976	334,229	38,713	9,906	245,978	407,781	8,108,077									
At 31 December 2014	356,296	2,898,766	1,003,232	39,067	1,478,561	10,861	280,447	56,602	24,416	264,262	515,210	6,927,720									

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The gross amount of the Group's fully depreciated buildings and equipments that was still in use as at 31 December 2014 and 2013 are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Buildings and equipments	<u>8,482,895</u>	<u>8,102,238</u>	<u>8,185,701</u>	<u>7,825,475</u>

16 Intangible assets

	Consolidated financial statements		
	Trademark	Software licenses	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2013	2,000	55,452	57,452
Additions	3,188	563	3,751
Transfers in	-	8,817	8,817
At 31 December 2013 and 1 January 2014	<u>5,188</u>	<u>64,832</u>	<u>70,020</u>
Additions	-	3,796	3,796
Transfers in	-	990	990
Disposals	(3,188)	-	(3,188)
At 31 December 2014	<u>2,000</u>	<u>69,618</u>	<u>71,618</u>
Amortisation			
At 1 January 2013	-	38,387	38,387
Amortisation for the year	419	9,896	10,315
At 31 December 2013 and 1 January 2014	<u>419</u>	<u>48,283</u>	<u>48,702</u>
Amortisation for the year	-	5,287	5,287
Disposals	(419)	-	(419)
At 31 December 2014	<u>-</u>	<u>53,570</u>	<u>53,570</u>
Net book value			
At 1 January 2013	<u>2,000</u>	<u>17,065</u>	<u>19,065</u>
At 31 December 2013 and 1 January 2014	<u>4,769</u>	<u>16,549</u>	<u>21,318</u>
At 31 December 2014	<u>2,000</u>	<u>16,048</u>	<u>18,048</u>

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	Separate financial statements Software licenses (in thousand Baht)
Cost	
At 1 January 2013	54,318
Additions	521
Transfers in	8,817
At 31 December 2013 and 1 January 2014	63,656
Additions	3,796
Transfers in	990
At 31 December 2014	68,442
Amortisation	
At 1 January 2013	37,275
Amortisation for the year	9,877
At 31 December 2013 and 1 January 2014	47,152
Amortisation for the year	5,273
At 31 December 2014	52,425
Net book value	
At 1 January 2013	17,043
At 31 December 2013 and 1 January 2014	16,504
At 31 December 2014	16,017

17 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Total	828,787	483,276	(971,188)	(942,765)
Set off of tax	(818,353)	(479,310)	818,353	479,310
Net deferred tax assets (liabilities)	10,434	3,966	(152,835)	(463,455)
	Separate financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Total	810,736	471,808	(947,182)	(918,759)
Set off of tax	(810,736)	(471,808)	810,736	471,808
Net deferred tax liabilities	-	-	(136,446)	(446,951)

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Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements			At 31 December 2014
	At 1 January 2014	(Charged) / Credited to:		
		Profit or loss <i>(Note 29)</i> <i>(in thousand Baht)</i>	Other comprehensive income	
Deferred tax assets				
Inventories	17,014	23,213	-	40,227
Employee benefit obligations	204,929	13,740	(9,121)	209,548
Loss carry forward	250,404	314,404	-	564,808
Others	10,929	3,275	-	14,204
Total	483,276	354,632	(9,121)	828,787

	Consolidated financial statements			At 31 December 2014
	At 1 January 2014	(Charged) / Credited to:		
		Profit or loss <i>(Note 29)</i> <i>(in thousand Baht)</i>	Other comprehensive income	
Deferred tax liabilities				
Property, plant and equipment	(856,828)	-	-	(856,828)
Investment properties	(9,042)	7,631	635	(16,673)
Long-term investments	(5,183)	-	-	(4,548)
Others	(71,712)	(21,427)	-	(93,139)
Total	(942,765)	(29,058)	635	(971,188)
Net	(459,489)	325,574	(8,486)	(142,401)

	Consolidated financial statements			At 31 December 2013
	At 1 January 2013	(Charged) / Credited to:		
		Profit or loss <i>(Note 29)</i> <i>(in thousand Baht)</i>	Other comprehensive income	
Deferred tax assets				
Inventories	68,428	(51,414)	-	17,014
Employee benefit obligations	244,975	753	(40,799)	204,929
Loss carry forward	3,735	246,669	-	250,404
Others	22,641	(11,712)	-	10,929
Total	339,779	184,296	(40,799)	483,276

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	Consolidated financial statements			
	At 1 January 2013	(Charged) / Credited to:		At 31 December 2013
		Profit or loss (Note 29)	Other comprehensive income	
	<i>(in thousand Baht)</i>			
Deferred tax liabilities				
Property, plant and equipment	(728,653)	155	(128,330)	(856,828)
Investment properties	(2,357)	(6,685)	-	(9,042)
Long-term investments	(10,453)	-	5,270	(5,183)
Others	(49,005)	(22,707)	-	(71,712)
Total	(790,468)	(29,237)	(123,060)	(942,765)
Net	(450,689)	155,059	(163,859)	(459,489)
Separate financial statements				
	At 1 January 2014	(Charged) / Credited to:		At 31 December 2014
		Profit or loss (Note 29)	Other comprehensive income	
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Inventories	16,459	21,575	-	38,034
Employee benefit obligations	204,138	13,572	(9,235)	208,475
Loss carry forward	240,282	309,741	-	550,023
Others	10,929	3,275	-	14,204
Total	471,808	348,163	(9,235)	810,736
Separate financial statements				
	At 1 January 2014	(Charged) / Credited to:		At 31 December 2014
		Profit or loss (Note 29)	Other comprehensive income	
	<i>(in thousand Baht)</i>			
Deferred tax liabilities				
Property, plant and equipment	(832,822)	-	-	(832,822)
Investment properties	(9,042)	(7,631)	-	(16,673)
Long-term investments	(5,183)	-	635	(4,548)
Others	(71,712)	(21,427)	-	(93,139)
Total	(918,759)	(29,058)	635	(947,182)
Net	(446,951)	319,105	(8,600)	(136,446)

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	At 1 January 2013	Separate financial statements (Charged) / Credited to:		At 31 December 2013
		Profit or loss (Note 29) (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Inventories	67,610	(51,151)	-	16,459
Employee benefit obligations	244,037	767	(40,666)	204,138
Loss carry forward	-	240,282	-	240,282
Others	22,641	(11,712)	-	10,929
Total	334,288	178,186	(40,666)	471,808

	At 1 January 2013	Separate financial statements (Charged) / Credited to:		At 31 December 2013
		Profit or loss (Note 29) (in thousand Baht)	Other comprehensive income	
Deferred tax liabilities				
Property, plant and equipment	(719,808)	156	(113,170)	(832,822)
Investment properties	(2,357)	(6,685)	-	(9,042)
Long-term investments	(10,453)	-	5,270	(5,183)
Others	(49,005)	(22,707)	-	(71,712)
Total	(781,623)	(29,236)	(107,900)	(918,759)
Net	(447,335)	148,950	(148,566)	(446,951)

18 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Related parties	5	474,055	379,569	744,783	499,785
Other parties		401,450	386,676	381,382	360,376
Total		875,505	766,245	1,126,165	860,161

Trade accounts payable of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

19 Short-term loans from financial institutions

As at 31 December 2014 and 2013, the Group has short-term loan facilities from several financial institutions totalling Baht 3,565 million with interest rate quoted by financial institutions. In 2014, the Group had utilised loan facilities totalling Baht 1,000 million (2013: Baht 700 million).

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20 Employee benefit obligations

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Statement of financial position obligations for:				
Short-term employee benefit				
- accumulated annual leave	11,005	9,335	10,978	9,335
Long-term employee benefit				
- long service award	50,077	51,960	49,995	51,895
Post-employment benefit				
- retirement benefit	987,606	964,005	981,403	959,458
Total	1,048,688	1,025,300	1,042,376	1,020,688
Statement of financial position				
<i>Current</i>				
Accrued expenses	103,035	99,752	103,009	99,752
<i>Non-current</i>				
Employee benefit obligations	945,653	925,548	939,367	920,936
Total	1,048,688	1,025,300	1,042,376	1,020,688
Year ended 31 December				
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Statement of comprehensive income:				
Recognised in profit or loss:				
Short-term employee benefit				
- accumulated annual leave	1,734	709	1,707	709
Post-employment benefit				
- retirement benefit	86,714	97,566	85,803	96,798
Long-term employee benefits				
- long service award	7,524	9,420	7,514	9,420
- Actuarial (gains) losses	261	(18,015)	235	(18,015)
- Reversal provision for executive incentive	-	(3,359)	-	(3,359)
- Reversal provident fund	-	(775)	-	(775)
Total	96,233	85,546	95,259	84,778
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	(45,428)	(203,996)	(46,173)	(203,330)
Cumulative actuarial gains recognised	(281,046)	(235,618)	(281,102)	(234,929)

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Employee benefit - Retirement benefit

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The statement of financial position obligation was determined as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	<u>987,606</u>	<u>964,005</u>	<u>981,403</u>	<u>959,458</u>

Movement in the present value of the defined benefit obligations:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	964,005	1,130,710	959,458	1,125,959
Benefits paid by the plan	(17,685)	(60,275)	(17,685)	(59,379)
Current service costs and interest	86,714	97,566	85,803	96,798
Transferred to subsidiary	-	-	-	(590)
Actuarial gains in other comprehensive income	(45,428)	(203,996)	(46,173)	(203,330)
Defined benefit obligations at 31 December	<u>987,606</u>	<u>964,005</u>	<u>981,403</u>	<u>959,458</u>

Expense recognised in profit or loss

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current service costs	49,399	58,591	48,681	57,983
Interest on obligation	37,315	38,975	37,122	38,815
Total	<u>86,714</u>	<u>97,566</u>	<u>85,803</u>	<u>96,798</u>

The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cost of sales	10,718	11,965	10,493	11,838
Selling expenses	58,316	65,789	58,316	65,789
Administrative expenses	12,343	14,840	11,657	14,199
Managements remunerations	5,337	4,972	5,337	4,972
Total	<u>86,714</u>	<u>97,566</u>	<u>85,803</u>	<u>96,798</u>

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Actuarial gains and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Included in retained earnings:				
At 1 January	235,618	31,622	234,929	31,599
Recognised during the year	45,428	203,996	46,173	203,330
At 31 December	281,046	235,618	281,102	234,929

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(%)</i>			
Discount rate	3.00	4.25	3.00	4.25
Future salary increases	5.00	5.00	5.00	5.00

Assumptions regarding future mortality are based on published statistics and mortality tables.

21 Share capital

	Par value per share <i>(in Baht)</i>	2014		2013	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	265,900	265,900	265,900	265,900
At 31 December					
- ordinary shares	1	265,900	265,900	265,900	265,900
Issued and paid-up					
At 1 January					
- ordinary shares	1	265,900	265,900	265,900	265,900
At 31 December					
- ordinary shares	1	265,900	265,900	265,900	265,900

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

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22 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

General reserve

The general reserve comprises amounts appropriated from profit for expansion of the Company's operations.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net changes in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Valuation surplus

The valuation surplus account within equity comprises the cumulative net change in the valuation of land included in the financial statements at valuation until such land is sold or otherwise disposed of.

In November 2013, the Group appraised its land based on the sale comparison approach by C.I.T. Appraisal Co., Ltd., an independent professional valuer. The Group made adjustments to increase the value of land in the consolidated and separate financial statements by Baht 651.31 million and Baht 575.51 million, respectively. The Group recognised surplus on land revaluation under equity in the consolidated and separate financial statements by Baht 641.65 million and Baht 565.85 million, respectively, and recognised reversal of loss on land revaluation of Baht 9.66 million in the consolidated and separate statements of comprehensive income.

Valuation surplus is not available for dividend distribution.

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23 Segment information

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Carbonated soft drink: Produce and distribute soft drinks
- Segment 2 Non-Carbonated soft drink: Produce and distribute drinking water, mixers, and other beverages, including as distributor of energy drinks and tea

None of the other operations segments meets the quantitative thresholds for determining reportable segments in 2014 or 2013.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

<i>Year ended 31 December</i>	Carbonated soft drink		Non-Carbonated soft drink		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013
			<i>(in million Baht)</i>			
External revenue	4,671	5,814	5,714	5,358	10,385	11,172
Total revenue	4,671	5,814	5,714	5,358	10,385	11,172
Segment profit before income tax	1,144	1,763	1,419	1,294	2,563	3,057
Depreciation and amortisation recorded in Selling and Administrative expenses	168	190	75	79	243	269
Selling expenses	1,727	1,716	1,184	1,034	2,911	2,750

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Reconciliations of reportable segment revenues, profit or loss, and other material items

	2014	2013
	<i>(in million Baht)</i>	
Profit or loss		
Profit for reportable segments	2,563	3,057
Depreciation and amortisation recorded in Selling and Administrative expenses	(243)	(269)
Selling expenses	<u>(2,911)</u>	<u>(2,750)</u>
	(591)	38
Unallocated revenue and expenses		
- Other income	1,413	286
- Administrative expenses	(972)	(956)
- Finance costs	(39)	(10)
Share of profit of an associate, net of income tax	161	162
Consolidated loss before income tax	<u>(29)</u>	<u>(480)</u>

Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

24 Other income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Fair value adjustments on investment properties	14	38,152	33,426	38,152	33,426
Sale of scrap		30,368	103,169	28,590	101,186
Gain on disposal of property, plant and equipment		19,995	61,522	19,366	61,195
Dividend income	11, 13	4,059	22,738	62,079	103,738
Interest income		2,284	9,365	9,125	18,488
Gain on disposal of investments		-	24,747	-	24,747
Reversal of recognised loss on land revaluation	22	-	9,659	-	9,659
Others		38,085	20,912	38,054	17,466
Total		<u>132,943</u>	<u>285,538</u>	<u>195,366</u>	<u>369,905</u>

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25 Selling expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Personnel expenses	1,116,447	1,065,020	1,115,275	1,063,124
Marketing expenses	1,042,249	1,020,220	1,042,249	1,018,486
Distribution	266,300	209,248	253,297	190,722
Fuel	210,410	209,205	210,410	209,205
Depreciation and amortisation	180,459	201,141	180,347	201,046
Others	275,417	245,138	274,619	244,515
Total	<u>3,091,282</u>	<u>2,949,972</u>	<u>3,076,197</u>	<u>2,927,098</u>

26 Administrative expenses

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Personnel expenses		473,635	434,487	457,178	420,174
Fuel		104,185	103,630	103,911	103,267
Management benefit expenses	27	80,820	75,569	80,820	75,569
Depreciation and amortisation		64,230	67,992	62,305	65,666
Directors' remunerations	5	9,962	7,571	9,962	7,571
Net loss on foreign exchange		2	12,132	-	12,132
Others		303,160	323,518	280,310	277,566
Total		<u>1,035,994</u>	<u>1,024,899</u>	<u>994,486</u>	<u>961,945</u>

27 Employee benefit expenses

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Salaries, wages and other benefits		1,811,915	1,690,762	1,752,081	1,631,840
Pension costs - defined benefit plans		86,713	97,566	85,803	96,798
Pension costs - defined contribution plans		82,696	87,020	80,963	85,074
Directors' remunerations	5	9,962	7,751	9,962	7,751
Others		61,360	55,288	59,658	53,846
Total		<u>2,052,646</u>	<u>1,938,207</u>	<u>1,988,467</u>	<u>1,875,129</u>

Defined benefit plans

Details of the defined benefit plans are given in note 20.

Defined contribution plans

The Group has a provident fund for those employees who indicate their willingness to join. Contributions are made monthly by the employees at 3% of their basic salaries and by the Group at from 5% to 12% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

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The employees who do not join the provident fund managed by the financial institution may still subscribe to the initial provident fund which is managed by the Company. The Company's contribution is treated as an expense in the year when the service is provided.

28 Expenses by nature

The statements of income included an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Changes in inventories of finished goods and work in progress		1,757,252	1,365,965	2,286,636	1,941,420
Raw materials and consumables used		4,215,846	5,038,410	3,940,138	4,774,532
Employee benefit expenses	27	2,052,646	1,938,207	1,988,467	1,875,129
Depreciation and amortisation		563,179	570,958	511,962	520,478
Marketing expenses	25	1,042,249	1,020,220	1,042,249	1,018,486
Distribution	25	266,300	209,248	253,297	190,722
Fuel		315,746	314,230	315,395	313,867
Others		1,775,474	1,641,933	1,744,727	1,621,685
Total expenses		11,988,692	12,099,171	12,082,871	12,256,319

29 Income tax benefit

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Current tax expense					
Current year		8,783	1,221	-	-
Adjustment for prior years		-	2,966	-	2,955
		8,783	4,187	-	2,955
Deferred tax expense	17				
Movements in temporary differences		(325,574)	(155,059)	(319,105)	(148,950)
Income tax benefit		(316,791)	(150,872)	(319,105)	(145,995)

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Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	Tax (expense) benefit	Net of tax
Net change in fair value of available-for-sale investments	(3,173)	635	(2,538)	(26,350)	5,270	(21,080)
Revaluation of land	-	-	-	641,652	(128,330)	513,322
Defined benefit plan actuarial gains	45,428	(9,121)	36,307	203,996	(40,799)	163,197
Total	42,255	(8,486)	33,769	819,298	(163,859)	655,439

	Separate financial statements					
	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	Tax (expense) benefit	Net of tax
Net change in fair value of available-for-sale investments	(3,173)	635	(2,538)	(26,350)	5,270	(21,080)
Revaluation of land	-	-	-	565,851	(113,170)	452,681
Defined benefit plan actuarial gains	46,173	(9,235)	36,938	203,330	(40,666)	162,664
Total	43,000	(8,600)	34,400	742,831	(148,566)	594,265

Reconciliation of effective tax rate

	Consolidated financial statements			
	2014		2013	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Loss before total income tax expense		(28,707)		(479,405)
Income tax using the Thai corporation tax rate	20.00	(5,741)	20.00	(95,881)
Income not subject to tax		(313,379)		(60,298)
Expenses for tax incentives		(2,291)		(1,813)
Expenses not deductible for tax purposes		4,128		4,310
Under provided in prior year		-		2,966
Effected from eliminations		492		(156)
Total	(1,103.53)	(316,791)	(31.47)	(150,872)

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Reconciliation of effective tax rate

	Separate financial statements			
	2014		2013	
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>
Loss before total income tax expense		<u>(1,521,270)</u>		<u>(652,748)</u>
Income tax using the Thai corporation tax rate	20.00	(304,254)	20.00	(130,550)
Income not subject to tax		(15,987)		(20,748)
Expenses for tax incentives		(2,289)		(1,806)
Expenses not deductible for tax purposes		3,425		4,154
Under provided in prior year		-		2,955
Total	<u>(20.98)</u>	<u>(319,105)</u>	<u>(22.37)</u>	<u>(145,995)</u>

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

30 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2014 and 2013 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>288,084</u>	<u>(328,533)</u>	<u>(1,202,165)</u>	<u>(506,753)</u>
Number of ordinary shares outstanding	<u>265,900</u>	<u>265,900</u>	<u>265,900</u>	<u>265,900</u>
Earnings (loss) per share (basic) (in Baht)	<u>1.08</u>	<u>(1.24)</u>	<u>(4.52)</u>	<u>(1.91)</u>

31 Dividends

At the annual general meeting of the shareholders of the Company held on 29 April 2013, the shareholders approved the appropriation of dividend of Baht 2.50 per share on 265.90 million shares, amounting to Baht 664.75 million. The dividend was paid to shareholders during the year 2013 and uncollected dividend was shown as accrued dividend in the statement of financial position.

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32 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings and interest-bearing financial liabilities (see Note 5, 19). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The effective interest rates of loans receivable as at 31 December and the periods in which the loans receivable and debt securities mature or re-price were as follows:

Consolidated financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 5 years (in thousand Baht)	Total
2014				
Non-current				
Long-term loan to a related party	4.50	-	3,000	3,000
2013				
Non-current				
Long-term loan to a related party	5.25	-	3,000	3,000

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	Effective interest rate (% per annum)	Separate financial statements		
		Within 1 year	After 5 years (in thousand Baht)	Total
2014				
Current				
Short-term loan to a related party	3.10	125,000	-	125,000
Non-current				
Long-term loan to a related party	4.50	-	3,000	3,000
Total		125,000	3,000	128,000
2013				
Current				
Short-term loans to related parties	3.10 - 3.20	384,600	-	384,600
Non-current				
Long-term loan to a related party	5.25	-	3,000	3,000
Total		384,600	3,000	387,600

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Consolidated and separate financial statements	
	Effective interest rate (% per annum)	Within 1 year (in thousand Baht)
2014		
Current		
Short-term loans from financial institutions	2.45 - 3.16	1,000,000
2013		
Current		
Short-term loans from financial institutions	2.65 - 3.15	700,000

Foreign currency risk

The Group is exposed to foreign currency risk relating to sales of goods and purchases of assets which are denominated in foreign currencies. The Group expects that changes in exchange rates for assets and liabilities denominated in foreign currencies in the statement of financial position will not materially affect its financial position and results of operations since the Group does not have any foreign currency loans and most of the spending and purchases of raw and packing materials are transacted in local currency. Exchange rate risks are limited only to those related to imported spare parts and equipments.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

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	Note	Consolidated and Separate financial statements	
		2014	2013
<i>(in thousand Baht)</i>			
United States Dollars			
Trade accounts receivable	7	280	-
Other payables		-	(920)
Gross balance sheet exposure		280	(920)
Estimated forecast purchases of assets		(719)	-
Total exposure		(439)	(920)
Euro			
Other payables		(25,855)	(24,187)
Gross balance sheet exposure		(25,855)	(24,187)
Estimated forecast purchases of assets		(1,183)	-
Total exposure		(27,038)	(24,187)
Malaysian Ringgit			
Other payables		(1,668)	-
Gross balance sheet exposure		(1,668)	-
Pound Sterling			
Other payables		-	(4,727)
Gross balance sheet exposure		-	(4,727)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Hong Kong Dollars					
Cash and cash equivalents	6	5,606	6,776	-	-
Short-term loan from a subsidiary	5	-	-	(1,530,968)	-
Other payables to related party	5	-	-	(29,753)	-
Gross balance sheet exposure		5,606	6,776	(1,560,721)	-

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

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Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade accounts receivable, accounts receivable from related parties, other receivables and other current assets is taken to approximate the carrying value.

The fair value of investments in equity securities, which are available for sales, are determined by reference to their quoted bid price at the reporting date.

Other long-term investments, which are non marketable equity securities, have their fair values approximate to their carrying value.

The fair value of trade accounts payable, other payables to related parties, other payables, accrued expenses, income tax payable and other current liabilities is taken to approximate the carrying value.

33 Commitments with non-related parties

	Consolidate financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Buildings, warehouses and improvement	28,239	82,009	28,239	82,009
Machinery, equipment and tools	9,255	16,481	9,255	5,436
Intangible assets	-	4,104	-	4,104
Total	37,494	102,594	37,494	91,549

	Consolidate financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Non-cancellable operating lease commitments				
Within one year	50,858	46,147	50,407	45,696
After one year but within five years	117,559	145,026	116,789	143,805
After five years	78,132	83,848	78,132	83,848
Total	246,549	275,021	245,328	273,349

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	Consolidate financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand)</i>			
<i>Other commitments</i>				
<i>Thai Baht</i>				
Unused letters of credit for goods and supplies	28,814	-	28,814	-
Bank guarantees	30,951	34,633	27,319	30,934
Total	59,765	34,633	56,133	30,934
<i>Euro</i>				
Unused letters of credit for assets	714	-	714	-

The Company entered into land, buildings, structure and other assets lease agreements for the Company's operation for periods from one year to thirty years and expiring in various periods up to December 2038.

Exclusive bottling appointment agreements

The Company entered into an agreement with Pepsi Lipton International Ltd. ("the parties") to be appointed to bottle, sell and distribute bottled tea drink in Thailand. The Company has to comply with certain conditions contained in the agreement which was ended 30 September 2011, including a renewal option. Subsequently on 1 June 2012, the parties made an amendment to set the termination date on 31 December 2015.

The Company entered into an agreement with Stoke-Van Camp, Inc. ("the parties") to be appointed to bottle, sell and distribute energy drink in Thailand. The Company has to comply with certain conditions contained in the agreement which was ended 30 June 2008, including a renewal option. Subsequently on 1 July 2013, the parties made an amendment to set the termination date on 31 December 2014.

Co-packing agreement

A subsidiary entered into a "Co-packing agreement" with Pepsi Lipton International Ltd. and Pepsi-Cola (Thai) Trading Co., Ltd. ("the parties") to produce bottled tea drink. The subsidiary has to comply with certain conditions contained in the agreement for a period of three years from 22 December 2005 to 21 December 2008 with renewal additional terms of three years each if not less than six months' prior written notice is given by any one party to the other as stipulated in the agreement. Subsequently, the parties made an amendment to set the termination date on 31 March 2015.

Distribution agreement

The Company entered into an agreement with Pepsi-Cola (Thai) Trading Co., Ltd. ("the parties") to be appointed to distribute bottled tea and fruit juices solely in Thailand. The Company has to comply with certain conditions contained in the agreement for a period of three years including a renewal option. Subsequently, the parties made an amendment to set the termination date on 31 March 2015.

34 Credit facilities

As at 31 December 2014 the Group and the Company had unutilised credit facilities totalling Baht 7,413 million and Baht 7,363 million, respectively (2013: Baht 7,648 million and Baht 7,598 million, respectively).

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35 Contingent liabilities

The Company had a contingent liability arising from a claim for compensation and unfair lay off employees of Baht 8.64 million. The court case is pending judgment. However, the Company's fixed deposit of Baht 0.50 million has been pledged with the court.

In 2014, 45 employees who were laid off by the Company have filed lawsuits against the Company for unfair termination. The total amount of claim is approximately of Baht 46.60 million. Before filing the lawsuits, the employees requested the Pathumthani Provincial Labour Protection and Welfare Office to seek for additional compensation from the Company. The Pathumthani Provincial Labour Protection and Welfare Office informed that the Company has already complied with the Labour Protection Law. The court case is pending judgement.

36 Events after the reporting period

Memorandum of Understanding – production and distribution

On 24 February 2015, the Company entered into a Memorandum of Understanding – production and distribution with a related company to produce and distribute carbonated soft drink. The Company has to comply with conditions contained in the Memorandum of Understanding for a period of three years from 1 January 2015 to 31 December 2017.

37 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015

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TFRS	Topic	Year effective
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 3 (revised 2014)	Business Combinations	2015
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TFRIC 1(revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015

The Group has made a preliminary assessment of the potential initial impact on the Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.