

**The Bangchak Petroleum Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2013
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of the Bangchak Petroleum Public Company Limited

I have audited the accompanying consolidated and separate financial statements of the Bangchak Petroleum Public Company Limited and its subsidiaries (the "Group") and of the Bangchak Petroleum Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of income, 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 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
18 February 2014

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2013	2012	2013	2012
<i>(Baht)</i>					
Current assets					
Cash and cash equivalents	6	6,527,404,199	8,005,505,386	5,011,640,994	6,641,250,681
Current investments	7	731,446,552	13,121,700	-	-
Trade accounts receivable	5,8	8,660,283,945	7,737,324,758	9,441,627,236	8,566,754,104
Other receivables	5,9	694,211,627	1,158,401,828	664,758,881	1,132,809,524
Inventories	10	17,092,312,602	19,175,125,311	16,457,888,721	18,613,988,720
Oil fuel fund subsidies receivable		1,663,887,223	822,328,168	1,663,887,223	822,328,168
Other current assets		1,198,715,710	195,617,849	1,088,705,935	148,292,282
Total current assets		36,568,261,858	37,107,425,000	34,328,508,990	35,925,423,479
Non-current assets					
Investments in subsidiaries	5,11	-	-	3,433,573,450	1,735,039,500
Investments in associate	5,12	756,779,006	722,888,134	763,229,520	763,229,520
Other long-term investments	7	263,701,557	294,507,985	263,701,557	294,507,985
Investment properties	13	459,340,000	459,340,000	459,340,000	459,340,000
Property, plant and equipment	14	31,770,655,760	29,919,393,981	26,896,740,455	27,715,586,008
Leasehold rights	15	1,171,654,605	1,048,650,001	1,171,654,605	1,048,650,001
Intangible assets	16	220,169,948	147,101,686	216,254,372	146,302,092
Investment in service stations	17	156,839,033	174,511,783	156,839,033	174,511,783
Deferred tax assets	18	336,383,821	187,104,709	333,322,221	184,672,335
Other non-current assets	5,19	685,555,308	792,519,605	681,753,527	754,370,875
Total non-current assets		35,821,079,038	33,746,017,884	34,376,408,740	33,276,210,099
Total assets		72,389,340,896	70,853,442,884	68,704,917,730	69,201,633,578

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Statement of income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012	2013	2012
(Baht)					
Revenue from sale of goods and rendering of services	5,26	186,513,750,116	165,245,933,373	183,286,494,555	162,622,827,447
Cost of sale of goods and rendering of services	5	(177,472,310,728)	(158,082,946,567)	(175,868,100,890)	(156,319,203,531)
Gross Profit		9,041,439,388	7,162,986,806	7,418,393,665	6,303,623,916
Investment income	5,27	90,013,712	89,881,632	123,186,910	71,808,918
Other income	5,28	1,815,539,597	570,964,840	1,780,883,047	586,521,805
Selling expenses	5,29	(3,039,986,111)	(2,696,829,166)	(2,304,960,068)	(2,051,135,124)
Administrative expenses	5,30	(1,250,435,504)	(1,402,673,202)	(1,178,356,984)	(1,349,562,803)
Gain from crude and product oil price hedging contract		803,796,124	868,746,427	803,796,124	868,746,427
Gain (loss) from foreign currencies forward contract		(923,118,314)	745,786,967	(923,118,314)	745,786,967
Gain on foreign exchange		132,024,772	346,182,303	132,024,772	346,024,919
Net reversal of allowance for loss from impairment of assets	13,14	24,255,302	294,666,289	24,255,302	294,666,289
Share of profit (loss) of associate	12	33,890,872	(22,591,271)	-	-
Profit before finance costs and income tax expense		6,727,419,838	5,957,121,625	5,876,104,454	5,816,481,314
Finance costs	33	(1,063,783,573)	(939,957,168)	(989,222,358)	(910,476,585)
Profit before income tax expense		5,663,636,265	5,017,164,457	4,886,882,096	4,906,004,729
Income tax expense	34	(932,336,854)	(714,581,274)	(915,300,878)	(706,111,137)
Profit for the year		4,731,299,411	4,302,583,183	3,971,581,218	4,199,893,592
Profit attributable to:					
Owners of the Company		4,652,924,857	4,272,560,562	3,971,581,218	4,199,893,592
Non-controlling interests		78,374,554	30,022,621	-	-
Profit for the year		4,731,299,411	4,302,583,183	3,971,581,218	4,199,893,592
Earnings per share					
Basic earnings per share	36	3.38	3.10	2.88	3.05

(Signed) Pichai Chunhavajira
(Pichai Chunhavajira)
Chairman

(Signed) Vichien Usanachote
(Vichien Usanachote)
President

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Consolidated financial		Separate financial	
	statements		statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012	2013	2012
	<i>(Baht)</i>			
Profit for the year	<u>4,731,299,411</u>	<u>4,302,583,183</u>	<u>3,971,581,218</u>	<u>4,199,893,592</u>
Other comprehensive income for the year, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>4,731,299,411</u>	<u>4,302,583,183</u>	<u>3,971,581,218</u>	<u>4,199,893,592</u>
Total comprehensive income attributable to:				
Owners of the Company	4,652,924,857	4,272,560,562	3,971,581,218	4,199,893,592
Non-controlling interests	<u>78,374,554</u>	<u>30,022,621</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>4,731,299,411</u>	<u>4,302,583,183</u>	<u>3,971,581,218</u>	<u>4,199,893,592</u>

(Signed) Pichai Chunchavajira
(Pichai Chunchavajira)
Chairman

(Signed) Vichien Usanachote
(Vichien Usanachote)
President

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements

Note	Issued and paid-up share capital	Share premium		Capital surplus on registered and paid-up share reduction	Retained earnings		Equity attributable to owners of the Company	Non-controlling interests	Total equity
		Share premium	Share premium on subsidiary of the Company		Legal reserve	Unappropriated			
Year ended 31 December 2012									
					(Baht)				
Balance at 1 January 2012	1,376,923,157	11,157,460,051	18,621,225	189,617,759	153,164,346	16,833,294,392	29,729,080,930	150,359,619	29,879,440,549
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the Company</i>									
Dividends to owners of the Company	37	-	-	-	-	(1,858,786,137)	(1,858,786,137)	(27,030)	(1,858,813,167)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	-	(1,858,786,137)	(1,858,786,137)	(27,030)	(1,858,813,167)
Comprehensive income for the year									
Profit or loss		-	-	-	-	4,272,560,562	4,272,560,562	30,022,621	4,302,583,183
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	4,272,560,562	4,272,560,562	30,022,621	4,302,583,183
Balance at 31 December 2012	1,376,923,157	11,157,460,051	18,621,225	189,617,759	153,164,346	19,247,068,817	32,142,855,355	180,355,210	32,323,210,565
Year ended 31 December 2013									
Balance at 1 January 2013	1,376,923,157	11,157,460,051	18,621,225	189,617,759	153,164,346	19,247,068,817	32,142,855,355	180,355,210	32,323,210,565
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the Company</i>									
Dividends to owners of the Company	37	-	-	-	-	(2,065,049,665)	(2,065,049,665)	(8,474,171)	(2,073,523,836)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	-	(2,065,049,665)	(2,065,049,665)	(8,474,171)	(2,073,523,836)
Comprehensive income for the year									
Profit or loss		-	-	-	-	4,652,924,857	4,652,924,857	78,374,554	4,731,299,411
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	4,652,924,857	4,652,924,857	78,374,554	4,731,299,411
Balance at 31 December 2013	1,376,923,157	11,157,460,051	18,621,225	189,617,759	153,164,346	21,834,944,009	34,730,730,547	250,255,593	34,980,986,140

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements							
Year ended 31 December 2012	Note	Issued and paid-up share capital	Share premium	Capital surplus on registered and paid-up share reduction	Retained earnings		Total equity
					Legal reserve	Unappropriated	
				(Baht)			
Balance at 1 January 2012		1,376,923,157	11,157,460,051	189,617,759	153,164,346	16,694,493,455	29,571,658,768
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Dividends to owners of the Company	37	-	-	-	-	(1,858,786,137)	(1,858,786,137)
Total contributions by and distributions to owners of the Company		-	-	-	-	(1,858,786,137)	(1,858,786,137)
Comprehensive income for the year							
Profit or loss		-	-	-	-	4,199,893,592	4,199,893,592
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	4,199,893,592	4,199,893,592
Balance at 31 December 2012		1,376,923,157	11,157,460,051	189,617,759	153,164,346	19,035,600,910	31,912,766,223
Year ended 31 December 2013							
Balance at 1 January 2013		1,376,923,157	11,157,460,051	189,617,759	153,164,346	19,035,600,910	31,912,766,223
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
Dividends to owners of the Company	37	-	-	-	-	(2,065,049,665)	(2,065,049,665)
Total contributions by and distributions to owners of the Company		-	-	-	-	(2,065,049,665)	(2,065,049,665)
Comprehensive income for the year							
Profit or loss		-	-	-	-	3,971,581,218	3,971,581,218
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	3,971,581,218	3,971,581,218
Balance at 31 December 2013		1,376,923,157	11,157,460,051	189,617,759	153,164,346	20,942,132,463	33,819,297,776

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012	2013	2012
	(Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	4,731,299,411	4,302,583,183	3,971,581,218	4,199,893,592
<i>Adjustments for</i>				
Depreciation	2,612,684,416	2,287,175,656	2,430,743,688	2,228,120,374
Amortisation	164,299,201	165,396,727	163,468,508	165,190,471
(Reversal of allowance) bad and doubtful debts expense	(32,630,122)	466,016	(33,105,370)	(153,863)
Unrealised loss on foreign exchange	362,157,994	44,978,007	362,157,994	44,978,007
(Reversal of allowance) impairment of assets	(24,255,302)	(294,666,289)	(24,255,302)	(294,666,289)
Loss on disposal of property, plant and equipment	5,641,619	59,129,902	1,496,136	58,052,348
Investment Income	(90,013,712)	(89,881,632)	(123,186,910)	(71,808,918)
Provision for employee benefit	138,136,401	166,430,496	133,789,532	163,671,537
Deferred revenue	(1,176,249)	(1,185,106)	(1,176,249)	(1,185,106)
Share of (gain) loss of associate, net of income tax expense	(33,890,872)	22,591,271	-	-
Finance costs	1,063,783,573	939,957,168	989,222,358	910,476,585
Income tax expense	932,336,854	714,581,274	915,300,878	706,111,137
	<u>9,828,373,212</u>	<u>8,317,556,673</u>	<u>8,786,036,481</u>	<u>8,108,679,875</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(882,916,488)	335,439,989	(834,284,732)	99,273,112
Other receivables	532,952,221	(797,597,557)	536,812,662	(754,240,369)
Inventories	2,079,890,873	(2,518,497,523)	2,151,909,674	(2,470,488,328)
Other current assets	(1,844,967,196)	1,162,556,475	(1,784,702,634)	1,162,797,748
Other non-current assets	4,972,364	(196,578,868)	2,843,698	(156,215,546)
Trade accounts payable	(2,222,403,460)	4,948,733,392	(2,062,535,666)	4,830,381,695
Other payables	(488,444,609)	1,169,851,744	(494,395,276)	803,135,659
Other current liabilities	(169,477,969)	(318,523,949)	(171,567,855)	(344,227,130)
Employee benefit obligations	(29,498,786)	(12,598,441)	(28,398,926)	(11,830,751)
Other non-current liabilities	(100,292,721)	13,329,828	(82,902,491)	(23,579,091)
	<u>(100,292,721)</u>	<u>13,329,828</u>	<u>(82,902,491)</u>	<u>(23,579,091)</u>
Cash generated from operating activities	6,708,187,441	12,103,671,763	6,018,814,935	11,243,686,874
Income tax paid	(1,257,172,850)	(470,379,906)	(1,240,213,848)	(457,283,486)
Net cash from operating activities	5,451,014,591	11,633,291,857	4,778,601,087	10,786,403,388

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012	2013	2012
	(Baht)			
<i>Cash flows from investing activities</i>				
Interest received	85,247,400	84,592,248	73,718,128	66,635,888
Increase in current investments	(718,324,852)	-	-	-
Increase in long-term investments	-	(2,817,803)	-	(2,817,803)
Net cash outflow from issue of subsidiary's share capital	-	-	(1,698,533,950)	(1,387,500,000)
Dividend received	-	-	51,064,950	-
Purchase of property, plant and equipment	(4,570,148,701)	(5,125,700,620)	(1,589,499,621)	(3,761,899,418)
Sale of property, plant and equipment	23,886,531	28,580,146	23,869,274	28,580,146
Increase in leasehold right	(217,964,552)	(205,371,345)	(217,964,552)	(205,371,345)
Purchase of intangible assets	(109,733,677)	(63,917,585)	(105,787,002)	(63,379,345)
Net cash used in investing activities	<u>(5,507,037,851)</u>	<u>(5,284,634,959)</u>	<u>(3,463,132,773)</u>	<u>(5,325,751,877)</u>
<i>Cash flows from financing activities</i>				
Finance costs paid	(1,098,825,343)	(945,997,576)	(1,038,501,884)	(917,066,424)
Decrease in short-term loans from financial institutions	-	(2,000,000,000)	-	(2,000,000,000)
Proceeds from long - term loans	8,184,766,400	37,636,575	6,396,880,000	-
Repayment of long - term loans	(6,434,495,148)	(591,234,514)	(6,238,406,452)	(450,000,000)
Proceeds from issuance of debentures	-	2,994,546,521	-	2,994,546,521
Dividend paid	(2,073,523,836)	(1,858,813,167)	(2,065,049,665)	(1,858,786,137)
Net cash used in financing activities	<u>(1,422,077,927)</u>	<u>(2,363,862,161)</u>	<u>(2,945,078,001)</u>	<u>(2,231,306,040)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,478,101,187)</u>	<u>3,984,794,737</u>	<u>(1,629,609,687)</u>	<u>3,229,345,471</u>
Cash and cash equivalents as at 1 January	8,005,505,386	4,020,710,649	6,641,250,681	3,411,905,210
Cash and cash equivalents as at 31 December	<u>6,527,404,199</u>	<u>8,005,505,386</u>	<u>5,011,640,994</u>	<u>6,641,250,681</u>

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

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

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The Bangchak Petroleum 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 authorized for issue by the Board of Directors on 18 February 2014.

1 General information

The Bangchak Petroleum Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office as follows:

Head office : 555/1, Energy Complex Building A, Floor 10th, Vibhavadi Rangsit Road, Chatuchak, Bangkok.

Refinery plant : 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok.

Solar power plant : 99/1 Moo 9, Bang Krasan, Bang Pa-in, Phra Nakhon Si Ayutthaya

The Company was listed on the Stock Exchange of Thailand on 23 April 1993.

The Company is a company in the PTT Public Company Limited (“PTT”) group of companies. PTT is incorporated in Thailand and is the major shareholder of the Company, holding 27.22% of the Company’s issued and paid-up share capital as of 31 December 2013.

The principal businesses of the Company are operating an oil refinery and marketing the finished products through its service stations under its company’s brand. The Company’s oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial and agriculture. The sale of oil is also made through the major and the minor oil traders. The Company’s other businesses are production and distribution of electricity from solar cell.

Details of the Company’s subsidiaries as at 31 December 2013 and 2012 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2013	2012
<i>Direct subsidiaries</i>				
The Bangchak Green Net Co., Ltd.	Manage BCP service stations and consumer goods retailer	Thailand	49.00	49.00
The Bangchak Biofuel Co., Ltd.	Production and distribution of biodiesel	Thailand	70.00	70.00
The Bangchak Solar Energy Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	100.00
<i>Indirect subsidiaries</i>				
The Bangchak Solar Energy (Prachinburi) Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	100.00

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2013	2012
<i>Indirect subsidiaries</i>				
The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	100.00
The Bangchak Solar Energy (Burirum) Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	100.00
The Bangchak Solar Energy (Burirum1) Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	100.00
The Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	100.00

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.

The FAP has issued the following new and revised TFRS and Announcements relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS and FAP Announcements has resulted in changes in the Group’s accounting policies. The effects of these changes are disclosed in note 3 except TAS 12 Income Taxes which was already early adopted.

In addition to the above new and revised TFRS and Announcements the FAP has issued a number of other new and revised TFRS and Announcements which are effective for financial statements beginning on or after 1 January 2014 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 42.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in accounting policies.

(c) Functional and presentation currency

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

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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 13	Valuation of investment properties
Note 18 and 34	Current and deferred taxation
Note 23	Measurement of defined benefit obligations

3 Changes in accounting policies

(a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS and FAP Announcements as set out in note 2, the Group has changed its accounting policies in the following areas :

- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group are included in notes 3(b) to 3(c) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

(b) Accounting for the effects of changes in foreign exchange rates

TAS 21 (revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

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(c) *Presentation of information on operating segments*

TFRS 8 introduces the “management approach” to segment reporting. It requires a change in the and disclosure of segment information based on the internal reports regularly reviewed by the Group’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the group’s financial statements.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

(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 associates.

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.

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

Associates

Associates are those entities 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.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are 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 and jointly-controlled entities are eliminated against the

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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 functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

Hedge of interest rates

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans.

Hedge of crack spread

Difference between the fixed prices of contracts and the settlement prices are recognised in the statement of income in the period in which the contracts mature.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of for the purpose of the statement of cash flows.

(e) 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.

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Notes to the financial statements

(f) Inventories

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

Cost is calculated using the weighted average cost principle, and 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.

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.

(g) Investments

Investments in associates and subsidiaries

Investments in associates and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

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

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount 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.

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Notes to the financial statements

(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 stated at cost less accumulated depreciation and impairment losses.

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.

No depreciation is provided on land.

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, 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.

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.

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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.

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	20 - 30 years
Machinery, equipment refinery plants and terminal	2 - 30 years
Equipment solar plants	5 - 25 years
Marketing and office equipment	5 - 20 years
Vehicles	5 years

No depreciation is provided on freehold land, platinum catalyst and assets under construction.

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

(j) Leasehold right

Leasehold rights are the rights obtained from the land lease contracts, which are amortised on a straight-line method over the contractual period.

Leasehold rights are presented at cost deducted by accumulated amortisation and impairment losses.

(k) Intangible assets

Other intangible assets

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

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, including expenditure on internally generated goodwill and brands, 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, other than goodwill, 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:

The right to use and the cost of development of computer software	5-8 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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Notes to the financial statements

(l) 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 exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs 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.

Impairment losses recognised in prior periods in respect of other 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.

(m) 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.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

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Notes to the financial statements

(o) *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

The Company operates 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.

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. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government 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 credit unit method. The Group recognises all actuarial gains and losses arising from defined benefit plans 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 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.

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.

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Notes to the financial statements

(p) *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.

(q) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(r) *Revenue*

Revenue excludes value added taxes and other sales 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.

Income from sale of electricity

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied as stipulated in the contract. Income from the sale of electricity is entitled to receive ADDER for a period of 10 years from the commencement of commercial sales. Thereafter, subsequent to this initial period income from sale of electricity is recognised at normal rates.

Income from operating rights

Income from operating right is recognised in accordance with the timing of the rights utilization and with conditions as stipulated in the contract.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

Dividend income

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

Interest income

Interest income is recognised in profit or loss as it accrues.

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Notes to the financial statements

(s) *Finance costs*

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables).

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.

(t) *Lease payments*

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, 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.

(u) *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 to a business combination, or 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 goodwill; 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 and jointly-controlled entities 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.

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.

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Notes to the financial statements

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.

(v) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(w) *Segment reporting*

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

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 or joint 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.

Relationship with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
PTT Public Company Limited	Thailand	Major shareholder, some common directors
Fuel Pipeline Transportation Ltd.	Thailand	Shareholding
PTT ICT Solutions Co., Ltd.	Thailand	Major shareholder as the Company's shareholder
PTT International Trading Pte. Ltd.	Singapore	Major shareholder as the Company's shareholder
IRPC Plc.	Thailand	Major shareholder as the Company's shareholder
Thai Oil Plc.	Thailand	Major shareholder as the Company's shareholder
Energy Complex Co., Ltd.	Thailand	Major shareholder as the Company's shareholder
PTT Global Chemical Plc.	Thailand	Major shareholder as the Company's shareholder
Star Petroleum Refining Co., Ltd.	Thailand	Major shareholder as the Company's shareholder
PTT International Trading DMCC	Dubai	Major shareholder as the Company's shareholder
PTT Energy Solutions Co., Ltd.	Thailand	Major shareholder as the Company's shareholder

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
PTT Exploration and Production Plc.	Thailand	Major shareholder as the Company's shareholder
Ubon Bio Ethanol Co., Ltd.	Thailand	Associate, Shareholding 21.28%
NPC Safety and Environmental Service Co., Ltd.	Thailand	Related party of major shareholder
Thai Lube Base Plc.	Thailand	Related party of major shareholder
IRPC Oil Company., Ltd.	Thailand	Related party of major shareholder
PTTEP Siam Co., Ltd.	Thailand	Related party of major shareholder
Ubon Agricultural Energy Co., Ltd.	Thailand	Indirect associate, representative from the Company as director
Thai oil Energy Services Co., Ltd.	Thailand	Major shareholder as the Company's shareholder
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.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods	Market price/ Contractually agreed prices
Rendering of service	Contractually agreed prices
Purchase of goods/raw materials	Market price/ Contractually agreed prices
Receiving of services	Contractually agreed prices
Technical assistance fee	Contractually agreed prices
Royalty expense	Contractually agreed prices
Interest expense	Contractually agreed rate with reference to market rate

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Notes to the financial statements

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

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Major shareholder				
Sales of goods	17,719.70	15,473.17	17,584.34	15,147.86
Purchases of raw material	127,093.55	105,821.23	127,049.77	105,819.69
Other income	134.33	128.10	134.33	128.10
Service expense	294.34	291.64	294.34	291.64
Other expense	4.75	29.30	4.68	29.24
Subsidiaries				
Sales of goods	-	-	29,236.88	24,900.88
Purchases of goods	-	-	2,983.92	3,068.85
Other income	-	-	30.24	23.47
Dividend income	-	-	51.07	-
Interest income	-	-	5.72	-
Interest expenses	-	-	0.60	0.75
Other expenses	-	-	17.33	21.03
Associate and indirect associate				
Sales of goods	1.25	8.87	1.25	8.87
Purchase of goods	707.22	-	707.22	-
Other income	0.93	1.62	0.93	1.62
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	121.25	114.31	120.96	114.19
Post-employment benefits and other long-term benefits	5.26	6.49	5.26	6.49
Total key management personnel compensation	126.51	120.80	126.22	120.68
Other related parties				
Sale of goods	1,794.72	624.14	1,794.72	624.14
Purchases of raw material and product	11,396.49	21,307.40	11,396.49	21,307.40
Other income	57.13	17.62	57.13	17.62
Dividend income	-	2.85	-	2.85
Pipeline transportation expenses	216.01	182.99	216.01	182.99
Other expenses	43.12	41.09	43.12	41.09

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Notes to the financial statements

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

	Notes	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
Trade accounts receivable - related parties					
Major shareholder					
PTT Public Company Limited		1,611.53	1,453.38	1,595.40	1,433.00
Subsidiaries					
The Bangchak Green Net Co., Ltd.		-	-	1,044.93	907.75
The Bangchak Biofuel Co., Ltd.		-	-	7.63	8.01
Associate and indirect associate					
Ubun Bio Ethanol Co., Ltd.		0.82	-	0.82	-
Ubun Agricultural Energy Co., Ltd.		0.08	-	0.08	-
Other related parties					
IRPC Plc.		53.54	-	53.54	-
PTT Global Chemical Plc.		8.73	-	8.73	-
Fuel Pipeline Transportation Limited		0.33	2.03	0.33	2.03
		<u>1,675.03</u>	<u>1,455.41</u>	<u>2,711.46</u>	<u>2,350.79</u>
Less allowance for doubtful accounts		-	-	-	-
Net		<u>1,675.03</u>	<u>1,455.41</u>	<u>2,711.46</u>	<u>2,350.79</u>
Bad and doubtful debts expense for the year		-	-	-	-
Other receivables - related parties					
Major shareholder					
PTT Public Company Limited	9	403.19	314.62	403.19	314.62
Subsidiaries					
The Bangchak Solar Energy Co., Ltd.		-	-	0.59	1.25
The Bangchak Solar Energy (Prachinburi) Co., Ltd.		-	-	0.20	-
The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.		-	-	0.20	-
The Bangchak Solar Energy (Burirum) Co., Ltd.		-	-	0.20	-
The Bangchak Solar Energy (Burirum1) Co., Ltd.		-	-	0.20	-
The Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd.		-	-	0.20	-
Associate					
Ubun Bio Ethanol Co., Ltd.		-	0.27	-	0.27
Total		<u>403.19</u>	<u>314.89</u>	<u>404.78</u>	<u>316.14</u>
Trade accounts payable - related parties					
Major shareholder					
PTT Public Company Limited		9,780.66	12,035.84	9,770.27	12,034.19
Subsidiaries					
The Bangchak Green Net Co., Ltd.		-	-	3.91	2.16
The Bangchak Biofuel Co., Ltd.		-	-	228.76	93.25
The Bangchak Solar Energy Co., Ltd.		-	-	0.45	2.14

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Notes to the financial statements

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Other related parties				
Thai Oil Plc.	310.34	491.61	310.34	491.61
PTT Global Chemical Plc.	57.77	-	57.77	-
IRPC Plc.	130.82	-	130.82	-
Thai Lube Base Plc.	60.14	3.04	60.14	3.04
Total	10,339.73	12,530.49	10,562.46	12,626.39
Other accounts payable - related parties				
Major shareholder				
PTT Public Company Limited	763.59	707.13	763.59	707.13
Other related parties				
Fuel Pipeline Transportation., Ltd.	21.44	21.02	21.44	21.02
Energy Complex Co., Ltd.	0.12	0.06	0.12	0.06
PTT ICT Solutions Co., Ltd.	-	0.01	-	0.01
Total	785.15	728.22	785.15	728.22
Investment in subsidiaries				
The Bangchak Green Net Co., Ltd.	-	-	0.49	0.49
The Bangchak Biofuel Co., Ltd.	-	-	197.05	197.05
The Bangchak Solar Energy Co., Ltd.	-	-	2,637.50	1,537.50
The Bangchak Solar Energy (Prachinburi) Co., Ltd.	-	-	193.55	-
The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	-	-	106.57	-
The Bangchak Solar Energy (Burirum) Co., Ltd.	-	-	110.86	-
The Bangchak Solar Energy (Burirum1) Co., Ltd.	-	-	94.08	-
The Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd.	-	-	93.47	-
Total	-	-	3,433.57	1,735.04
Investment in associate				
Ubon Bio Ethanol Co., Ltd.	756.78	722.89	763.23	763.23
Other non-current assets				
Other related party				
Fuel Pipeline Transportation Ltd.	29.82	33.23	29.82	33.23
Less allowance for doubtful accounts	-	(29.82)	-	(29.82)
	29.82	3.41	29.82	3.41
Energy Complex Co., Ltd.	4.75	4.75	4.75	4.75
Total	34.57	8.16	34.57	8.16
Other current liabilities				
Subsidiary				
The Bangchak Green Net Co., Ltd.	-	-	28.56	27.97

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Other non-current liabilities</i>				
Other related party				
Fuel Pipeline Transportation., Ltd.	4.40	4.87	4.40	4.87

Other non-current assets - Fuel Pipeline Transportation Limited

The Company has provided financial support to the Fuel Pipeline Transportation Ltd. (FPT) in the form of advance payment of fuel transportation fee (Tariff Prepayment) as per the written agreement dated 14 June 1996. Subsequently, the Company, together with the other FPT creditors agreed on 3 March 1999 to restructure the FPT's loan. Prior to the loan restructure, the amount owed to the Company as Tariff Prepayment was Baht 245.80 million. On 30 April 1999, Baht 48.75 million was converted to capital stock (preferred stock) with remaining loan outstanding totalling Baht 197.05 million. The loan shall be repaid in accordance with FPT's cash flow while the interest on the tariff prepayment and the custody fee (difference in interest rate of MLR-2%) will be paid on a monthly basis. Subsequently, FPT was able to repay some parts of the loan, however, due to financial difficulties it could not comply with the agreed terms. An amendment to the original agreement was made on 28 March 2002. Under the revised agreement, the remaining loan principle of Baht 187.29 million will be repaid on a monthly basis over a total number of 153 periods, with the first payment made on 30 April 2002. The interest rate will be based on MLR with relaxation of 1% per annum starting from 29 March 2002. The difference in the interest shall be established as a receivable in a suspense account which will be written-off provided FPT complies with the agreement, without default, over a three-year consecutive period.

On 29 December 2009, the Company and other FPT creditors had additionally amended the restructuring agreement to comply with FPT's ability to pay debt. The Company and other FPT creditors agreed to give up interest receivable and changed repayment schedule as stipulated in the restructuring agreement without additional debt relief.

On 21 September 2012, the Central Bankruptcy Court approved the FPT's restructuring plan including the reduction in the number of shares, capital reduction and conversion of debt to equity. As a result, the Company's percentage of holding in FPT decreased from 11.40% (calculated from the Preference shares totalling 1,817,547 shares, Baht 100 each amounting to Baht 181,754,700) to 5.07% (calculated from the ordinary shares after restructuring totalling 1,413,148 shares, Baht 5 each amounting to Baht 7,065,740). The Company has adjusted the previous investment cost and reversed the allowance for impairment in previous investment to new investment cost after restructuring.

In addition, FPT's restructuring plan also involved a write-off of the loan made to FPT by the Company from Baht 99.35 million to Baht 37.86 million. The Company is entitled to receive monthly instalments payment for a period of 10 years at the interest rate calculated at MLR minus discount. During the period from the Central Bankruptcy Court order until 31 December 2012, the Company received loan repayment from FPT amounting to Baht 4.63 million. However, the Company still provides allowance for doubtful accounts to loan to FPT equivalent to the loan receivable in the following years. The company will review the adequacy of the allowance subsequently at each financial year-end.

FPT completed restructuring under restructuring plan during 2013. The Central Bankruptcy Court approved to withdraw FPT's restructuring plan on 15 July 2013. Subsequently, the Company reversed allowance for doubtful accounts to loan to FPT amounting to Baht 29.82 million because the Company expecting to collect the loan in full amount.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Significant agreements with related parties

Fuel Pipeline Transportation Agreement

During 1997, the Company entered into a fuel pipeline transportation agreement with a related company. The related company will provide transportation service of fuel products to Don-muang and Suvarnabhumi International Airport and transportation service for petroleum products to fuel depot at Bang-pa-in. The agreement has no specified expiry date and can be terminated by either party by giving at least 60 days written notice for termination to the other party.

Feedstock Supply Agreement

During 2006, the Company entered into Feedstock Supply Agreement, to enhance the Company's feedstock supply, whereby the major shareholder will supply crude oil and other feedstocks for the refinery process commencing from 16 May 2006 and shall be in effect for a period of twelve years after Process Quality Improvement (PQI)'s commercial operation date.

Oil-Product Sales and Purchase Agreement

During 2006, the Company entered into Sale and Purchase Agreement with the major shareholder, to accommodate the additional Gasoline production outputs from the PQI project after commercial operation date. The major shareholder will purchase minimum level of 30% of refined petroleum products (not include aviation fuel and fuel oil) from the refinery. This agreement shall be in effect for a period of twelve years after PQI's commercial operation date.

Since 2007, the Company has entered into five oil products purchase agreements with related companies. The related companies will provide oil products at quantities and prices as stipulated in the agreement. The agreement has no specified expiry date and can be terminated by either party by giving at least 90 days written notice for termination to the other party.

Bio-diesel Sales and Purchase Agreement

During 2008, the Company entered into a Bio-diesel Sales and Purchase Agreement with a subsidiary for a period of seven years to start from the commencement of the Bio-diesel Plant's commercial operations. The Company will purchase bio-diesel oil at yearly average volumes not less than 60% of maximum bio-diesel production capacity at the market prices as stipulated in the agreement

Gas Sales and Purchase Agreement

During 2008, the Company entered into Gas Sales and Purchase Agreement with the major shareholder for the refinery process for a period of ten years commencing on the first date of Gas delivery by the major shareholder and the Company receive this gas with the service fee as stipulated in the agreement.

Service Station Operating Right Agreement

During 2010, the Company entered into Service Station Operating Right Agreement which include the right to operate within service station with a subsidiary for a period of three years. The subsidiary agreed to pay the fee at agreed prices as stipulated in the agreement. For mutual interest under the agreement, the subsidiary agreed to purchase the finish oil products at contractually agreed prices.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Store Operation Right Agreement

During 2010, the Company entered into Store Operation Right Agreement with a subsidiary for a period of three years to operate retail stores within service stations under the Company's brand. The subsidiary agreed to pay the fee under agreed prices as stipulated in the agreement.

Cogeneration Purchase and Sale Agreement

On 25 February 2008, the Company entered into Cogeneration Project Agreement with the major shareholder under which the major shareholder invested in the construction of a cogeneration power plant to generate 19.7 MW of electricity and 90 metric tons per hour of steam to sell to the Company. It started its commercial operation in June 2010. The volume and market prices are as stipulated in the agreement.

Petroleum and Gas Tank Storage Service Agreement

The Company entered into Petroleum and Gas Tank Storage Service Agreement with the major shareholder for a period of 15 years from 1 January 2009 to 31 December 2023 with the service fee as stipulated in the agreement.

Office Rental and Service Agreements

On 19 September 2012, The Company entered into office rental and service agreements with a related company for a period of 3 years commencing from 1 October 2012 to 30 September 2015 and with a renewable option for another period of 3 years. Office rental fees and conditions are as stipulated in the agreement.

Establishment and Management Service Agreement for NGV Service Station

The Company entered into establishment and management service agreement for NGV service station with the major shareholder. The major shareholder has the right to utilise the lands and/or lands with building. The Company will receive the fee for land utilisation and management fee for service station as stipulated in the agreements. Establishment agreements shall be in effect for a period of 8 – 23 years which will be expired between 2016 - 2031. Management service agreement for service station shall be effect for 1 year which will be annually reviewed.

Management Service Agreement for Electricity Generation from Solar Cell

The Company entered into management service agreement with a subsidiary for managing and producing electricity from solar cell and green energy learning center for a period of 5 years commencing from 1 August 2012 to 31 July 2017. The Company agreed to pay the fee on monthly basis. Management service fees and conditions are as stipulated in the agreement.

Management Service

The Company entered into management service agreement with subsidiary for general management service. The Company agreed to provide human resources to manage operation process in accordance with subsidiary' direction. Management service fees and conditions are as stipulated in the agreement.

The Bangkok Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Cash on hand	42.91	44.04	1.90	1.58
Cash at banks - current accounts	1,212.60	955.51	746.89	659.97
Cash at banks - savings accounts	4,920.66	6,805.96	4,262.85	5,979.70
Highly liquid short-term investments	351.23	200.00	-	-
Total	<u>6,527.40</u>	<u>8,005.51</u>	<u>5,011.64</u>	<u>6,641.25</u>

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht (THB)	4,045.46	7,764.92	2,529.70	6,400.66
United States Dollars (USD)	2,480.86	239.88	2,480.86	239.88
Others	1.08	0.71	1.08	0.71
Total	<u>6,527.40</u>	<u>8,005.51</u>	<u>5,011.64</u>	<u>6,641.25</u>

7 Investments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Current investment</i>				
Short-term deposits at financial institutions	731.45	13.12	-	-
	<u>731.45</u>	<u>13.12</u>	<u>-</u>	<u>-</u>
<i>Other long-term investments</i>				
Non-marketable equity securities				
Fuel Pipeline Transportation Ltd.	7.07	7.07	7.07	7.07
ASEAN Potash Mining Plc.	173.24	173.24	173.24	173.24
MFC Energy Fund	125.91	126.22	125.91	126.22
<i>Less: Allowance for impairment</i>	<i>(45.54)</i>	<i>(15.07)</i>	<i>(45.54)</i>	<i>(15.07)</i>
Non-marketable equity securities - net	<u>260.68</u>	<u>291.46</u>	<u>260.68</u>	<u>291.46</u>
Debt securities held to maturity				
Government bonds	3.00	3.00	3.00	3.00
<i>Add: Premium on investments</i>	<i>0.02</i>	<i>0.05</i>	<i>0.02</i>	<i>0.05</i>
Debt securities held to maturity - net	<u>3.02</u>	<u>3.05</u>	<u>3.02</u>	<u>3.05</u>
Other long-term investments	<u>263.70</u>	<u>294.51</u>	<u>263.70</u>	<u>294.51</u>
Total	<u>995.15</u>	<u>307.63</u>	<u>263.70</u>	<u>294.51</u>

Fuel Pipeline Transportation Limited is proceeding with the rehabilitation plan as explained in note 5.

Investments of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

8 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	5	1,675.03	1,455.41	2,711.46	2,350.79
Other parties		7,018.51	6,329.15	6,763.37	6,263.09
Total		8,693.54	7,784.56	9,474.83	8,613.88
Less: allowance for doubtful accounts		(33.26)	(47.24)	(33.20)	(47.13)
Net		8,660.28	7,737.32	9,441.63	8,566.75
(Reversal of) bad and doubtful debts expense for the year		(3.76)	(0.28)	(3.29)	0.10

Aging analyses for trade accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties					
Within credit terms		1,675.03	1,455.41	2,711.46	2,350.79
Less: allowance for doubtful accounts		-	-	-	-
Net		1,675.03	1,455.41	2,711.46	2,350.79
Other parties					
Within credit terms		6,829.75	6,197.12	6,577.74	6,132.44
Overdue:					
Less than 3 months		151.34	78.64	148.27	77.41
3-6 months		1.94	6.42	1.92	6.37
6-12 months		2.23	0.09	2.23	0.06
Over 12 months		33.25	46.88	33.21	46.81
		7,018.51	6,329.15	6,763.37	6,263.09
Less: allowance for doubtful accounts		(33.26)	(47.24)	(33.20)	(47.13)
Net		6,985.25	6,281.91	6,730.17	6,215.96
Total		8,660.28	7,737.32	9,441.63	8,566.75

The normal credit term granted by the Group ranges from 1 days to 90 days.

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

		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Thai Baht (THB)		6,494.30	5,911.22	7,275.65	6,740.65
United States Dollars (USD)		2,165.98	1,826.10	2,165.98	1,826.10
Total		8,660.28	7,737.32	9,441.63	8,566.75

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

9 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	5	403.19	314.89	404.78	316.14
Other parties					
Receivable from oil hedging contracts		58.63	227.59	58.63	227.59
Insurance compensation receivable		-	310.00	-	310.00
Prepaid expenses		182.19	247.60	172.66	239.50
Others		50.20	58.32	28.69	39.58
Total		694.21	1,158.40	664.76	1,132.81

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Crude oil	10,274.64	11,453.82	10,101.11	11,342.50
Finished oil products	6,238.43	7,167.68	5,815.79	6,775.86
Materials and supplies	652.73	602.59	644.47	594.92
Consumer products	30.74	51.19	-	-
	17,196.54	19,275.28	16,561.37	18,713.28
<i>Less: allowance for obsolete and slow moving</i>	<i>(104.23)</i>	<i>(100.15)</i>	<i>(103.48)</i>	<i>(99.29)</i>
Net	17,092.31	19,175.13	16,457.89	18,613.99

As at 31 December 2013 and 2012, the Company's inventories included petroleum legal reserve of 581.70 million litres with approximated value of Baht 13,370.67 million and 462.16 million litres with approximated value of Baht 10,049.48 million, respectively.

The cost of inventories which is recognised as an expense and included in 'cost of sale of goods' for the year ended 31 December 2013 amounting to Baht 127,503.53 million (2012: Baht 97,508.48 million).

11 Investments in subsidiaries

	Separate financial statements	
	2013	2012
	<i>(in million Baht)</i>	
<i>Subsidiaries</i>		
At 1 January	1,735.04	347.54
Acquisitions	1,698.53	1,387.50
At 31 December	3,433.57	1,735.04

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Investments in subsidiaries as at 31 December 2013 and 2012, and dividend income for the years then ended were as follows:

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<i>Subsidiaries</i>												
The Bangchak Green Net Co., Ltd.	49.00	49.00	1.00	1.00	0.49	0.49	-	-	0.49	0.49	31.36	-
The Bangchak Biofuel Co., Ltd.	70.00	70.00	281.50	281.50	197.05	197.05	-	-	197.05	197.05	19.71	-
The Bangchak Solar Energy Co., Ltd.	100.00	100.00	2,637.50	1,537.50	2,637.50	1,537.50	-	-	2,637.50	1,537.50	-	-
The Bangchak Solar Energy (Prachinburi) Co., Ltd.	49.00	-	364.40	60.00	193.55	-	-	-	193.55	-	-	-
The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	49.00	-	202.20	30.00	106.57	-	-	-	106.57	-	-	-
The Bangchak Solar Energy (Burirum) Co., Ltd.	49.00	-	200.75	50.00	110.86	-	-	-	110.86	-	-	-
The Bangchak Solar Energy (Burirum1) Co., Ltd.	49.00	-	191.49	0.25	94.08	-	-	-	94.08	-	-	-
The Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd.	49.00	-	190.24	0.25	93.47	-	-	-	93.47	-	-	-
Total					<u>3,433.57</u>	<u>1,735.04</u>	<u>-</u>	<u>-</u>	<u>3,433.57</u>	<u>1,735.04</u>	<u>51.07</u>	<u>-</u>

All subsidiaries were incorporated in Thailand

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Increase of investment in subsidiaries

At the Annual General Meeting of the Shareholders of the Bangchak Solar Energy Co., Ltd, held on 30 April 2012, the shareholders approved the increase of registered share capital from Baht 150 million (divided into 1.5 million shares at par value of Bath 100) to Baht 2,000 million (divided into 20 million shares at par value of Baht 100). The subsidiary had called up and received full payment of paid-up capital in January 2013.

At the Extraordinary Meeting of the Shareholders of the Bangchak Solar Energy Co., Ltd, held on 7 June 2013, the shareholders approved the increase of registered share capital from Baht 2,000 million (divided into 20 million shares at par value of Bath 100) to Baht 2,150 million (divided into 21.5 million shares at par value of Baht 100). The subsidiary had called up and received full payment of paid-up capital in June 2013.

At the Extraordinary Meeting of the Shareholders of the Bangchak Solar Energy Co., Ltd, held on 23 September 2013, the shareholders approved the increase of registered share capital from Baht 2,150 million (divided into 21.5 million shares at par value of Bath 100) to Baht 4,100 million (divided into 41 million shares at par value of Baht 100). The said company had called up 25% of new registered share capital of Baht 25 per share, totalling Baht 487.5 million.

Acquisition and increase of investment in indirect subsidiaries

At the Board of Directors Meeting of the Company, held on 27 August 2013, the meeting approved the purchase of 49% of the share capital of indirect subsidiaries from the Bangchak Solar Energy Co., Ltd, a subsidiary. During the year, the indirect subsidiaries have increased share capital and called up as follows :

The Company	Acquisition	Increase of investment	Total
		<i>(in million Baht)</i>	
The Bangchak Solar Energy (Prachinburi) Co., Ltd.	29.40	164.15	193.55
The Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	14.70	91.87	106.57
The Bangchak Solar Energy (Burirum) Co., Ltd.	24.50	86.36	110.86
The Bangchak Solar Energy (Burirum1) Co., Ltd.	0.12	93.96	94.08
The Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd.	0.12	93.55	93.47

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

At the Extraordinary Meeting of the Shareholders of the Bangchak Solar Energy (Prachinburi) Co., Ltd, held on 30 September 2013, the shareholders approved the increase of registered share capital from Baht 60 million (divided into 0.6 million shares at par value of Bath 100) to Baht 1,400 million (divided into 14 million shares at par value of Baht 100). The said company had called up 25% of new registered share capital of Baht 25 per share, totalling Baht 164.15 million.

At the Extraordinary Meeting of the Shareholders of the Bangchak Solar Energy (Chaiyahpum1) Co., Ltd, held on 30 September 2013, the shareholders approved the increase of registered share capital from Baht 30 million (divided into 0.3 million shares at par value of Bath 100) to Baht 780 million (divided into 7.8 million shares at par value of Baht 100). The said company had called up 25% of new registered share capital of Baht 25 per share, totalling Baht 91.87 million.

At the Extraordinary Meeting of the Shareholders of the Bangchak Solar Energy (Burirum) Co., Ltd, held on 30 September 2013, the shareholders approved the increase of registered share capital from Baht 50 million (divided into 0.5 million shares at par value of Bath 100) to Baht 755 million (divided into 7.55 million shares at par value of Baht 100). The said company had called up 25% of new registered share capital of Baht 25 per share, totalling Baht 86.36 million.

At the Extraordinary Meeting of the Shareholders of the Bangchak Solar Energy (Burirum1) Co., Ltd, held on 30 September 2013, the shareholders approved the increase of registered share capital from Baht 1 million (divided into 0.01 million shares at par value of Bath 100) to Baht 765 million (divided into 7.65 million shares at par value of Baht 100). The said company had called up 25% of new registered share capital of Baht 25 per share, totalling Baht 93.96 million.

At the Extraordinary Meeting of the Shareholders of the Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd, held on 30 September 2013, the shareholders approved the increase of registered share capital from Baht 1 million (divided into 0.01 million shares at par value of Bath 100) to Baht 760 million (divided into 7.6 million shares at par value of Baht 100). The said company had called up 25% of new registered share capital of Baht 25 per share, totalling Baht 93.35 million.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

12 Investments in associate

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Associate				
At 1 January	722.89	745.48	763.23	763.23
Acquisition	-	-	-	-
Share of net profit (loss) of equity-accounted associate	33.89	(22.59)	-	-
At 31 December	756.78	722.89	763.23	763.23

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Investments in associate as at 31 December 2013 and 2012, and dividend income from those investments for the years then ended, were as follows:

	Consolidated financial statements												Dividend income	
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		2013	2012
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(%)													
Associate														
Ubon Bio Ethanol Co., Ltd.	21.28	21.28	2,740.00	2,740.00	<u>763.23</u>	<u>763.23</u>	<u>756.78</u>	<u>722.89</u>	-	-	<u>756.78</u>	<u>722.89</u>	-	-
Total					<u>763.23</u>	<u>763.23</u>	<u>756.78</u>	<u>722.89</u>	<u>-</u>	<u>-</u>	<u>756.78</u>	<u>722.89</u>	<u>-</u>	<u>-</u>

None of the Group's equity-accounted investee is publicly listed and consequently does not have published price quotations.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At equity - net		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(%)		<i>(in million Baht)</i>									
Associate												
Ubun Bio Ethanol Co., Ltd.	21.28	21.28	2,740.00	2,740.00	<u>763.23</u>	<u>763.23</u>	<u>-</u>	<u>-</u>	<u>763.23</u>	<u>763.23</u>	<u>-</u>	<u>-</u>
Total					<u>763.23</u>	<u>763.23</u>	<u>-</u>	<u>-</u>	<u>763.23</u>	<u>763.23</u>	<u>-</u>	<u>-</u>

None of the Company's equity-accounted investee is publicly listed and consequently does not have published price quotations.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

13 Investment Properties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Cost</i>				
At 1 January	459.34	459.34	459.34	459.34
At 31 December	459.34	459.34	459.34	459.34
<i>Depreciation and impairment losses</i>				
At 1 January	-	(171.28)	-	(171.28)
Reversal of impairment losses	-	171.28	-	171.28
At 31 December	-	-	-	-
<i>Net book value</i>				
At 1 January	459.34	288.06	459.34	288.06
At 31 December	459.34	459.34	459.34	459.34

Investment properties were revalued as at 31 December 2013 and 2012 by an independent professional valuer, at open market value on existing use basis. The appraisal value is totalling Baht 598.72 million (2012: Baht 598.72 million).

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

14 Property, plant and equipment

(a) The Group

	Consolidated financial statements								
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments <i>(in million Baht)</i>	Platinum Catalyst	Vehicles	Construction work in progress	Total
<i>Cost</i>									
At 1 January 2012	996.92	809.95	32,295.13	743.71	4,072.58	242.80	181.60	2,769.04	42,111.73
Additions	106.19	1.07	53.54	-	4.19	-	4.13	5,159.87	5,328.99
Transfers	132.15	136.72	2,219.35	2,777.18	258.77	(3.54)	26.60	(5,643.83)	(96.60)
Disposals	-	(2.85)	(523.21)	-	(61.22)	-	-	-	(587.28)
At 31 December 2012 and 1 January 2013	1,235.26	944.89	34,044.81	3,520.89	4,274.32	239.26	212.33	2,285.08	46,756.84
Additions	81.95	0.73	104.81	-	24.16	-	5.26	4,307.51	4,524.42
Transfers	96.56	396.52	1,351.22	2,814.34	316.24	-	27.48	(5,026.24)	(23.88)
Disposals	(14.27)	(1.35)	(19.63)	-	(167.05)	-	(1.49)	-	(203.79)
At 31 December 2013	1,399.50	1,340.79	35,481.21	6,335.23	4,447.67	239.26	243.58	1,566.35	51,053.59
<i>Depreciation and impairment losses</i>									
At 1 January 2012	(14.06)	(422.55)	(11,653.78)	(110.17)	(2,836.33)	-	(115.58)	-	(15,152.47)
Depreciation charge for the year	-	(37.38)	(1,859.71)	(83.73)	(283.10)	-	(23.24)	-	(2,287.16)
(Loss) reversal of impairment losses	-	-	(0.65)	97.77	6.65	-	-	-	103.77
Disposals	-	1.36	440.13	-	56.92	-	-	-	498.41
At 31 December 2012 and 1 January 2013	(14.06)	(458.57)	(13,074.01)	(96.13)	(3,055.86)	-	(138.82)	-	(16,837.45)
Depreciation charge for the year	-	(58.84)	(1,985.59)	(263.13)	(304.03)	-	(28.09)	-	(2,612.68)
Impairment losses	-	-	(0.65)	-	(2.01)	-	-	-	(2.66)
Disposals	-	1.08	11.90	-	155.40	-	1.48	-	169.86
At 31 December 2013	(14.06)	(516.33)	(15,048.35)	(332.26)	(3,206.50)	-	(165.43)	-	(19,282.93)

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated financial statements								
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments <i>(in million Baht)</i>	Platinum Catalyst	Vehicles	Construction work in progress	Total
<i>Net book value</i>									
At 1 January 2012	<u>982.86</u>	<u>387.40</u>	<u>20,641.35</u>	<u>633.54</u>	<u>1,236.25</u>	<u>242.80</u>	<u>66.02</u>	<u>2,769.04</u>	<u>26,959.26</u>
At 31 December 2012 and 1 January 2013	<u>1,221.20</u>	<u>486.32</u>	<u>20,970.80</u>	<u>3,424.76</u>	<u>1,218.46</u>	<u>239.26</u>	<u>73.51</u>	<u>2,285.08</u>	<u>29,919.39</u>
At 31 December 2013	<u>1,385.44</u>	<u>824.46</u>	<u>20,432.86</u>	<u>6,002.97</u>	<u>1,241.17</u>	<u>239.26</u>	<u>78.15</u>	<u>1,566.35</u>	<u>31,770.66</u>

As at 31 December 2013, a subsidiary has mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totaling Baht 4,063.60 million (2012: Baht 792.90 million).

Capitalised borrowing costs relating to construction of the new factory amounted to Baht 53.13 million (2012: Baht 104.50 million), with a capitalization rate of 4.43 – 6.63% (2012: 4.22-5.60%) (see note 33).

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 3,302.09 million (2012: Baht 2,767.31 million).

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

(b) The Company

	Separate financial statements								Total
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments <i>(in million Baht)</i>	Platinum Catalyst	Vehicles	Construction work in progress	
Cost									
At 1 January 2012	868.27	591.22	31,696.45	743.71	4,032.14	242.81	166.03	2,740.40	41,081.03
Additions	-	-	52.94	-	-	-	-	3,907.05	3,959.99
Transfers	132.15	105.51	2,164.04	2,777.18	258.74	(3.54)	26.60	(5,554.47)	(93.79)
Disposals	-	(2.76)	(521.88)	-	(56.19)	-	-	-	(580.83)
At 31 December 2012 and 1 January 2013	1,000.42	693.97	33,391.55	3,520.89	4,234.69	239.27	192.63	1,092.98	44,366.40
Additions	-	-	103.79	-	-	-	-	1,560.25	1,664.04
Transfers	-	30.30	1,346.04	0.67	233.60	-	27.48	(1,657.77)	(19.68)
Disposals	(14.27)	(0.95)	(14.57)	-	(166.72)	-	(1.49)	-	(198.00)
At 31 December 2013	986.15	723.32	34,826.81	3,521.56	4,301.57	239.27	218.62	995.46	45,812.76
Depreciation and impairment losses									
At 1 January 2012	(14.06)	(399.49)	(11,580.60)	(110.17)	(2,806.64)	-	(108.45)	-	(15,019.41)
Depreciation charge for the year	-	(24.96)	(1,820.45)	(83.73)	(279.19)	-	(19.90)	-	(2,228.23)
(Loss) Reversal of impairment losses	-	-	(0.65)	97.77	6.65	-	-	-	103.77
Disposals	-	1.35	439.79	-	51.92	-	-	-	493.06
At 31 December 2012 and 1 January 2013	(14.06)	(423.10)	(12,961.91)	(96.13)	(3,027.26)	-	(128.35)	-	(16,650.81)
Depreciation charge for the year	-	(32.10)	(1,943.98)	(145.75)	(284.59)	-	(24.32)	-	(2,430.74)
Impairment losses	-	-	(0.65)	-	(2.01)	-	-	-	(2.66)
Disposals	-	0.95	10.68	-	155.08	-	1.48	-	168.19
At 31 December 2013	(14.06)	(454.25)	(14,895.86)	(241.88)	(3,158.78)	-	(151.19)	-	(18,916.02)

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

	Separate financial statements								Total
	Land	buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Construction work in progress	
<i>Net book value</i>									
At 1 January 2012	854.21	191.73	20,115.85	633.54	1,225.50	242.81	57.58	2,740.40	26,061.62
At 31 December 2012 and 1 January 2013	986.36	270.87	20,429.64	3,424.76	1,207.43	239.27	64.28	1,092.98	27,715.59
At 31 December 2013	972.09	269.07	19,930.95	3,279.68	1,142.79	239.27	67.43	995.46	26,896.74

Capitalised borrowing costs relating to construction of the new factory amounted to Baht 51.30 million (2012: Baht 104.15 million), with a capitalization rate of 4.43 – 6.63% (2012: 4.22 – 5.60%) (see note 33).

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 3,275.86 million (2012: Baht 2,746.70 million).

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

15 Leasehold Rights

	Consolidated and Separate financial statements <i>(in million Baht)</i>
<i>Cost</i>	
At 1 January 2012	2,242.05
Addition	217.06
Transfers	(10.52)
Disposals	(3.00)
At 31 December 2012 and 1 January 2013	2,445.59
Addition	224.32
Transfers	(6.36)
Disposals	(2.60)
At 31 December 2013	2,660.95
<i>Amortisation and impairment losses</i>	
At 1 January 2012	(1,304.67)
Amortisation charge for the year	(96.42)
Disposals	2.45
Reversal of impairment losses	1.70
At 31 December 2012 and 1 January 2013	(1,396.94)
Amortisation charge for the year	(94.85)
Disposals	2.60
Impairment losses	(0.11)
At 31 December 2013	(1,489.30)
<i>Net book value</i>	
At 1 January 2012	937.38
At 31 December 2012 and 1 January 2013	1,048.65
At 31 December 2013	1,171.65

On 27 February 2004, The Treasury Department permitted the Company to settle by instalments, the leasehold fee of Baht 551.63 million for an extension of the lease agreement of state-owned land on which the Company's refinery is located. The initial lease agreement, which due for expiration on 1 April 2015, will be extended for period of 18 years under the new lease agreement, which will expire on 31 March 2033. The Company has extended the amortisation period of existing leasehold rights to 31 March 2033, which corresponds to the period of the new agreement. The annually instalments of the leasehold fee are as followed;

Period	<i>(in million Baht)</i>
The year 2007 - 2009	137.90
The year 2010 - 2012	183.88
The year 2013 - 2015	229.85
Total	551.63

As at 31 December 2013, leasehold right liability has remaining balance totalling Baht 153.23 million (2012: Baht 229.85 million).

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

16 Intangible assets

	Right to use and cost of development of computer software	
	Consolidated financial statements	Separate financial statements
	<i>(in million Baht)</i>	
Cost		
At 1 January 2012	250.08	246.76
Addition	64.10	63.48
At 31 December 2012 and 1 January 2013	314.18	310.24
Addition	109.66	105.79
Disposals	(12.54)	(12.54)
At 31 December 2013	411.30	403.49
Amortisation and impairment losses		
At 1 January 2012	(148.94)	(146.21)
Amortisation for the year	(18.14)	(17.73)
At 31 December 2012 and 1 January 2013	(167.08)	(163.94)
Amortisation for the year	(35.72)	(34.97)
Disposals	11.67	11.67
At 31 December 2013	(191.13)	(187.24)
Net book value		
At 1 January 2012	101.14	100.55
At 31 December 2012 and 1 January 2013	147.10	146.30
At 31 December 2013	220.17	216.25

17 Investment in oil service stations

The investments in oil service stations comprise oil service station expansion under various business approaches. The Company may invest directly or may grant others the right to operate or enter into a joint venture agreement, or with investment made by the operator and the Company providing support.

As at 31 December 2013, the balances outstanding in the investment in service stations account total Baht 156.84 million (2012: Baht 174.51 million). The Company amortised the investment in service stations on a straight-line basis over the term of the agreement. Amortisation charge for the year ended 31 December 2013 total Baht 26.59 million (2012: Baht 45.00 million).

18 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Total	408.89	376.91	(72.51)	(189.80)
Set off of tax	(72.51)	(189.80)	72.51	189.80
Net deferred tax assets	336.38	187.11	-	-

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

	Separate financial statements			
	Assets		Liabilities	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Total	405.83	374.47	(72.51)	(189.80)
Set off of tax	(72.51)	(189.80)	72.51	189.80
Net deferred tax assets	<u>333.32</u>	<u>184.67</u>	<u>-</u>	<u>-</u>

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

	Consolidated financial statements		
	At 1 January 2013	(Charged) / credited to Statement of income (Note 34) <i>(in million Baht)</i>	At 31 December 2013
<i>Deferred tax assets</i>			
Employee benefit obligation	198.76	21.72	220.48
Property, plant and equipment	71.83	17.82	89.65
Loss from impairment of assets and others	106.32	(7.56)	98.76
Total	<u>376.91</u>	<u>31.98</u>	<u>408.89</u>
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(126.39)	55.22	(71.17)
Leasehold rights	(1.41)	0.07	(1.34)
Income from insurance compensation	(62.00)	62.00	-
Total	<u>(189.80)</u>	<u>117.29</u>	<u>(72.51)</u>
Net	<u>187.11</u>	<u>149.27</u>	<u>336.38</u>

	Separate financial statements		
	At 1 January 2013	(Charged) / credited to Statement of income (Note 34) <i>(in million Baht)</i>	At 31 December 2013
<i>Deferred tax assets</i>			
Employee benefit obligation	196.56	21.08	217.64
Property, plant and equipment	71.83	17.80	89.63
Loss from impairment of assets and others	106.08	(7.52)	98.56
Total	<u>374.47</u>	<u>31.36</u>	<u>405.83</u>
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(126.39)	55.22	(71.17)
Leasehold rights	(1.41)	0.07	(1.34)
Income from insurance compensation	(62.00)	62.00	-
Total	<u>(189.80)</u>	<u>117.29</u>	<u>(72.51)</u>
Net	<u>184.67</u>	<u>148.65</u>	<u>333.32</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Consolidated financial statements			
(Charged) / credited to			
	At 1 January 2012	Statement of income (Note 34) (in million Baht)	At 31 December 2012
Deferred tax assets			
Employee benefit obligation	168.99	29.77	198.76
Property, plant and equipment	-	71.83	71.83
Loss from impairment of assets and others	10.08	96.24	106.32
Total	179.07	197.84	376.91
Deferred tax liabilities			
Property, plant and equipment	(6.87)	(119.52)	(126.39)
Leasehold rights	-	(1.41)	(1.41)
Income from insurance compensation	-	(62.00)	(62.00)
Total	(6.87)	(182.93)	(189.80)
Net	172.20	14.91	187.11

Separate financial statements			
(Charged) / credited to			
	At 1 January 2012	Statement of income (Note 34) (in million Baht)	At 31 December 2012
Deferred tax assets			
Employee benefit obligation	168.99	27.57	196.56
Property, plant and equipment	-	71.83	71.83
Loss from impairment of assets and others	10.08	96.00	106.08
Total	179.07	195.40	374.47
Deferred tax liabilities			
Property, plant and equipment	(6.87)	(119.52)	(126.39)
Leasehold rights	-	(1.41)	(1.41)
Income from insurance compensation	-	(62.00)	(62.00)
Total	(6.87)	(182.93)	(189.80)
Net	172.20	12.47	184.67

19 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in million Baht)				
Fixed deposit for staff welfare	417.95	415.21	417.95	415.21
Deferred expenses for the issuance of debentures and long-term loans	74.68	187.56	72.32	150.99
Others	192.93	189.75	191.48	188.17
Total	685.56	792.52	681.75	754.37

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

20 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Current</i>				
Current portion of long-term loans from financial institutions				
secured	265.84	119.70	-	-
unsecured	776.66	890.15	776.66	890.15
Total Current	<u>1,042.50</u>	<u>1,009.85</u>	<u>776.66</u>	<u>890.15</u>
<i>Non-current</i>				
Long -term loans from financial institutions				
secured	1,733.46	336.23	-	-
unsecured	15,057.88	14,681.85	15,057.88	14,681.85
	<u>16,791.34</u>	<u>15,018.08</u>	<u>15,057.88</u>	<u>14,681.85</u>
Debenture				
unsecured	2,995.71	2,995.01	2,995.71	2,995.01
	<u>2,995.71</u>	<u>2,995.01</u>	<u>2,995.71</u>	<u>2,995.01</u>
Total Non-current	<u>19,787.05</u>	<u>18,013.09</u>	<u>18,053.59</u>	<u>17,676.86</u>
Total	<u>20,829.55</u>	<u>19,022.94</u>	<u>18,830.25</u>	<u>18,567.01</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Details of the Group's loans from financial institutions as at 31 December were as follows:

	Facilities		Interest		Consolidated financial statements		Separate financial statements	
	Currency	(in million)	Interest Rates (%) p.a.	Repayment Terms	2013	2012	2013	2012
<i>Long-term loans from financial institutions</i>								
The Company	Baht	9,000	THBFIX 6M plus a margin	The principle will be repayable in 20 instalments commencing in June 2011	2,581.75	8,380.00	2,581.75	8,380.00
The Company	USD	200	LIBOR plus a margin	The principle will be repayable on 1 August 2018	6,500.94	-	6,500.94	-
The Company	Baht	4,200	Fixed Interest Rate	The principle will be repayable in 26 instalments commencing in March 2013	3,601.85	3,902.00	3,601.85	3,902.00
The Company	Baht	3,500	THBFIX 6M plus a margin	The principle will be repayable in 23 instalments commencing in December 2011	3,150.00	3,290.00	3,150.00	3,290.00
Subsidiary	Baht	710	Six-month fixed deposit corporate rate plus a margin	The principle will be repayable in 24 instalments commencing in June 2010	336.24	455.93	-	-
Subsidiary	Baht	1,508	THBFIX 6M plus a margin	The principle will be repayable in 20-34 instalments commencing in August 2013	1,350.99	-	-	-
Subsidiary	USD	12	Fixed Interest Rate	The principle will be repayable in 34 instalments commencing in August 2013	312.07	-	-	-
Total					17,833.84	16,027.93	15,834.54	15,572.00
<i>Less: Current portion</i>					<i>(1,042.50)</i>	<i>(1,009.85)</i>	<i>(776.66)</i>	<i>(890.15)</i>
Net					16,791.34	15,018.08	15,057.88	14,681.85

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

During 2011, the Company entered into a loan agreement with a consortium of four financial institutions for a long-term loan totalling Baht 9,000 million bearing interest at a rate referenced to THBFIX of 6 months plus margin. The Company is required to comply with certain conditions under the loan agreement and maintain certain financial ratios as specified in the agreement. On 31 July 2013, the Company made a partial early repayment of Baht 5,500 million of the balance of the long-term loan to the financial institutions.

The loan agreements contain certain conditions and restrictions such as maintaining of certain debt to equity ratio, debt service coverage ratio and current ratio.

As at 31 December 2013, the Group and the Company had unutilised credit facilities totalling Baht 13,475 million and Baht 13,255 million, respectively (2012: Baht 15,406 million and Baht 13,255 million, respectively).

The Company entered into a sponsor support agreement with a subsidiary under the conditions as stipulated in the loan agreement with a financial institution to provide support in the event that the subsidiary cannot repay the loan in accordance with loan schedule which has a minimum facility of Baht 400 million. In case a subsidiary cannot find insurance protection for flood, the Company is responsible to repair subsidiary's power plant to normal condition.

Debentures

As at 30 April 2012, the Company issued 7-year term debentures with a value totaling Baht 2,000 million, bearing interest at the rate of 4.92% per annum and maturing on 30 April 2019, and 10-year term debentures with a value totaling Baht 1,000 million, bearing interest at the rate of 5.35 % per annum and maturing on 30 April 2022. Both debenture issues totaling Baht 3,000 million are named-registered, unsubordinated, unsecured and no bond holder representative with a face value of Baht 1,000 each with interest payment dates on 30 June and 30 December.

In connection with the terms of the rights and responsibilities of the debentures issuer, the company, as the issuer, has to comply with certain restrictions and conditions as stipulated therein, such as maintaining certain financial ratios etc.

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Within one year	1,042.50	1,009.85	776.66	890.15
After one year but within five years	11,094.39	5,776.85	10,297.78	5,440.62
After five years	8,692.66	12,236.24	7,755.81	12,236.24
Total	<u>20,829.55</u>	<u>19,022.94</u>	<u>18,830.25</u>	<u>18,567.01</u>

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Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Property, plant and equipment	4,063.60	792.90	-	-
Total	4,063.60	792.90	-	-

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht (THB)	14,328.61	19,022.94	12,329.31	18,567.01
United States Dollars (USD)	6,500.94	-	6,500.94	-
Total	20,829.55	19,022.94	18,830.25	18,567.01

21 Trade accounts payable

	<i>Note</i>	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	5	10,339.73	12,530.49	10,562.46	12,626.39
Other parties		1,194.21	1,169.30	874.17	816.08
Total		11,533.94	13,699.79	11,436.63	13,442.47

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

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht (THB)	11,533.94	13,589.18	11,436.63	13,331.86
United States Dollars (USD)	-	110.61	-	110.61
Total	11,533.94	13,699.79	11,436.63	13,442.47

22 Other payables

	<i>Note</i>	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	5	785.15	728.22	785.15	728.22
Other parties					
Accrued expenses		713.39	919.83	590.46	842.92
Liabilities from forward contract		139.13	20.85	139.13	20.85
Other accounts payable		724.53	1,121.60	468.22	725.10
Total		2,362.20	2,790.50	1,982.96	2,317.09

The Bangchak Petroleum Public Company Limited and its Subsidiaries
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23 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Statement of financial position obligations for:				
Post-employment benefits	1,059.40	954.85	1,047.32	945.95
Other long-term employee benefits	43.02	38.93	40.88	36.86
Total	1,102.42	993.78	1,088.20	982.81
For the year ended 31 December				
Statement of income:				
Recognised in profit or loss				
Post-employment benefits	132.40	140.08	128.13	138.30
Other long-term employee benefits	5.74	26.35	5.66	25.37
Total	138.14	166.43	133.79	163.67

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Defined benefit obligations at 1 January	993.78	839.95	982.81	830.97
Benefits paid by the plan	(29.50)	(12.60)	(28.40)	(11.83)
Current service costs and interest	138.14	104.25	133.79	101.49
Curtailement loss	-	10.23	-	10.23
Actuarial losses in profit or loss	-	51.95	-	51.95
Defined benefit obligations at 31 December	1,102.42	993.78	1,088.20	982.81

Expense recognised in profit or loss (note 31) :

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Current service costs	98.51	62.40	94.50	60.06
Interest on obligation	39.63	41.85	39.29	41.43
Curtailement loss	-	10.23	-	10.23
Actuarial losses in profit or loss	-	51.95	-	51.95
Total	138.14	166.43	133.79	163.67

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Cost of sales	30.87	38.93	30.70	38.93
Selling expenses	43.01	57.35	39.14	55.47
Administrative expenses	64.26	70.15	63.95	69.27
Total	138.14	166.43	133.79	163.67

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(%)</i>			
Discount rate as at 31 December	4	4	4	4
Future salary increases	4 - 10	4 - 10	4 - 10	4 - 10
Retirement age	55 and 60 years	55 and 60 years	60 years	60 years

Assumptions regarding future mortality are based on published statistics and mortality tables. Discount rate is the interest rate of long-term government bond.

24 Share capital

	Par value per share <i>(in Baht)</i>	2013		2012	
		Number	Baht	Number	Baht
<i>Authorised</i>					
At 1 January					
ordinary shares	1	1,531.64	1,531.64	1,531.64	1,531.64
At 31 December					
ordinary shares	1	1,531.64	1,531.64	1,531.64	1,531.64
<i>Issued and paid-up</i>					
At 1 January					
ordinary shares	1	1,376.92	1,376.92	1,376.92	1,376.92
Issue of new shares	1	-	-	-	-
At 31 December					
ordinary shares	1	1,376.92	1,376.92	1,376.92	1,376.92

25 Additional paid-in capital and reserves

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.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Notes to the financial statements

Capital surplus on registered and paid-up share reduction

On 6 July 2004, the Company registered with the Ministry of Commerce, the reduction in the Company's registered share capital from Baht 1,032,761,220 to Baht 843,143,461 and the paid-up share capital from Baht 753,040,940 to Baht 563,423,181. These changes were due to the reduction of 189,617,759 shares held by the Siam DR Co., Ltd. to be consistent with the number of "Depository Receipts of BCP's Ordinary Shares (DR)" which were issued and offered by the Siam DR Co., Ltd. The Company received consent from the Siam DR Co., Ltd. for reducing the mentioned number of shares without capital payback. The Company proceeded the share reduction to Capital on registered and paid-up share reduction account.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, 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.

26 Segment reporting

The Group has three 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.

<i>Segment 1</i>	Refinery
<i>Segment 2</i>	Marketing
<i>Segment 3</i>	Electricity

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, financial costs, depreciation and amortization, gain on foreign exchange and impairment losses on assets (Group's EBITDA), as included in the internal management reports that are reviewed by the Group's CODM. Group's EBITDA 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.

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Information about reportable segments

	2013				Total
	Refinery	Marketing	Electricity	Eliminations	
	<i>(in million Baht)</i>				
External revenue	45,913.55	139,137.41	1,462.79	-	186,513.75
Inter-segment revenue	132,263.20	-	-	(132,263.20)	-
Total segment revenue	<u>178,176.75</u>	<u>139,137.41</u>	<u>1,462.79</u>	<u>(132,263.20)</u>	<u>186,513.75</u>
Group's EBITDA	6,568.00	1,383.46	1,396.35	-	9,347.81
Depreciation and Amortization					(2,776.67)
Gain on foreign exchange					132.02
Reversal of allowance for loss from impairment of assets					24.26
Finance costs					(1,063.78)
Income tax expense					(932.34)
Profit for the year					<u>4,731.30</u>
Interest revenue	31.33	49.54	9.14	-	90.01
Finance costs	737.54	111.84	214.40	-	1,063.78
Depreciation and amortisation	2,038.89	453.13	284.65	-	2,776.67
Segment assets	51,612.57	10,574.33	10,202.45	-	72,389.34
Investment in associate	756.78	-	-	-	756.78
Capital expenditure	1,048.28	913.01	2,810.55	-	4,771.84

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	Refinery	Marketing	2012 Electricity (in million Baht)	Eliminations	Total
External revenue	33,037.71	131,830.03	378.19	-	165,245.93
Inter-segment revenue	<u>125,249.24</u>	-	-	<u>(125,249.24)</u>	-
Total segment revenue	<u>158,286.95</u>	<u>131,830.03</u>	<u>378.19</u>	<u>(125,249.24)</u>	<u>165,245.93</u>
Group's EBITDA	5,564.36	1,783.50	422.07	-	7,769.93
Depreciation and Amortization					(2,453.66)
Gain on foreign exchange					346.18
Reversal of allowance for loss from impairment of assets					294.67
Finance costs					(939.96)
Income tax expense					<u>(714.58)</u>
Profit for the year					<u>4,302.58</u>
Interest revenue	60.63	24.33	2.07	-	87.03
Finance costs	723.27	110.58	106.11	-	939.96
Depreciation and amortisation	1,901.83	455.51	96.32	-	2,453.66
Segment assets	54,392.75	9,622.44	6,838.25	-	70,853.44
Investment in associate	722.89	-	-	-	722.89
Capital expenditure	2,424.51	740.39	2,236.50	-	5,401.40

Geographical segments

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

Major customer

Revenues from one customer of the Group's 1 and 2 segments represents approximately Baht 17,854.03 million (2012: Baht 17,662.86 million) of the Group's total revenues.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

27 Investment income

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in million Baht)</i>			
<i>Dividend income</i>					
Related parties	5	-	2.85	51.07	2.85
		<u>-</u>	<u>2.85</u>	<u>51.07</u>	<u>2.85</u>
Other investment income		90.01	87.03	72.12	68.96
Total		<u>90.01</u>	<u>89.88</u>	<u>123.19</u>	<u>71.81</u>

28 Other income

		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Fee for land utilisation and management fee for NGV service station		88.36	81.26	84.12	81.26
Income from insurance compensation		1,588.77	383.40	1,574.33	383.40
Others		138.41	106.30	122.43	121.86
Total		<u>1,815.54</u>	<u>570.96</u>	<u>1,780.88</u>	<u>586.52</u>

During the third quarter of 2012, within the Bangchak refinery complex, Sukhumvit 64, was ignited in the Crude Distillation Unit 3. Consequently, the Company recognized loss of assets at net book value amounting to Baht 12.40 million. This refinery unit resumed its operation in October 2012. The Insurers had proceeded with preliminary insurance compensation totaling Baht 310 million during 2012 and the Company recognised in other income during 2012.

During the second quarter of 2013, the Insurers had finalized their assessment of the actual damage suffered and the Company recovered all damages from the insurance settlement totaling Baht 1,791.85 million. The Company recognised the remaining compensation amounting to Baht 1,481.85 million in other income during 2013.

29 Selling expenses

		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Personnel		682.53	634.81	292.55	296.03
Advertising		253.70	183.07	150.48	100.94
Depreciation and amortisation		428.67	439.35	420.04	434.97
Distribution		809.46	676.33	809.46	676.33
Others		865.63	763.27	632.43	542.87
Total		<u>3,039.99</u>	<u>2,696.83</u>	<u>2,304.96</u>	<u>2,051.14</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

30 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Personnel	696.12	735.50	656.70	690.33
Advertising	116.23	197.68	115.90	197.04
Depreciation and amortisation	89.80	61.75	84.64	58.29
Others	348.29	407.74	321.12	403.90
Total	<u>1,250.44</u>	<u>1,402.67</u>	<u>1,178.36</u>	<u>1,349.56</u>

31 Employee benefit expenses

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
<i>Management</i>					
Wages and salaries		90.77	87.61	90.48	87.49
Contribution to provident funds		4.35	4.67	4.35	4.67
Pension		5.26	6.49	5.26	6.49
Others		26.13	22.03	26.13	22.03
	5	<u>126.51</u>	<u>120.80</u>	<u>126.22</u>	<u>120.68</u>
<i>Other employees</i>					
Wages and salaries		1,097.71	1,017.25	715.36	676.55
Contribution to provident funds		61.90	58.23	58.39	54.81
Pension		132.88	159.94	128.53	157.18
Others		371.46	347.77	308.83	300.82
		<u>1,663.95</u>	<u>1,583.19</u>	<u>1,211.11</u>	<u>1,189.36</u>
Total		<u>1,790.46</u>	<u>1,703.99</u>	<u>1,337.33</u>	<u>1,310.04</u>

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 10% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

32 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Included in cost of sales of goods:</i>				
Changes in inventories of finished goods and work in progress	(961.36)	1,100.11	(960.07)	1,062.75
Raw materials and consumables used	127,379.92	97,659.66	127,503.53	97,508.48
Tax expenses and oil fuel fund	12,955.35	9,045.74	12,955.35	9,045.74
Depreciation	2,230.15	1,929.32	2,061.17	1,877.89
<i>Included in selling expenses:</i>				
Depreciation	322.49	311.09	313.89	306.75
<i>Included in administrative expenses:</i>				
Depreciation	60.04	46.76	55.68	43.48

33 Finance costs

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Interest payable to financial institutions		864.37	923.68	794.41	894.91
Interest payable to Debentures		151.90	102.38	151.90	102.38
Amortisation of transaction costs capitalised		94.41	18.40	88.13	17.34
Others		6.23	-	6.08	-
		1,116.91	1,044.46	1,040.52	1,014.63
Capitalised as cost of assets under construction	14	(53.13)	(104.50)	(51.30)	(104.15)
Net		1,063.78	939.96	989.22	910.48

34 Income tax expense

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
<i>Current tax expense</i>					
Current year		1,048.60	1,000.90	1,030.94	989.99
Under (over) provided in prior years		33.01	(271.41)	33.01	(271.14)
		1,081.61	729.49	1,063.95	718.58
<i>Deferred tax expense</i>					
Movements in temporary differences	18	(149.27)	(14.91)	(148.65)	(12.47)
		(149.27)	(14.91)	(148.65)	(12.47)
Total		932.34	714.58	915.30	706.11

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the financial statements

Reconciliation of effective tax rate

	Consolidated financial statements			
	2013		2012	
	<i>Rate</i>	<i>(in million</i>	<i>Rate</i>	<i>(in million</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before income tax expense		<u>5,663.64</u>		<u>5,017.16</u>
Income tax using the Thai corporation tax rate	20.00	1,132.73	23.00	1,153.95
Income not subject to tax / Expenses that are deductible at a greater amount	(4.29)	(242.77)	(2.56)	(128.09)
Expenses not deductible / Other adjustments	0.17	9.37	(0.79)	(39.87)
Under (over) provided in prior years	0.58	33.01	(5.41)	(271.41)
Total	16.46	932.34	14.24	714.58

Reconciliation of effective tax rate

	Separate financial statements			
	2013		2012	
	<i>Rate</i>	<i>(in million</i>	<i>Rate</i>	<i>(in million</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before income tax expense		<u>4,886.88</u>		<u>4,906.00</u>
Income tax using the Thai corporation tax rate	20.00	977.38	23.00	1,128.38
Income not subject to tax / Expenses that are deductible at a greater amount	(2.03)	(99.01)	(2.14)	(105.17)
Expenses not deductible / Other adjustments	0.08	3.92	(0.93)	(45.69)
Under (over) provided in prior years	0.68	33.01	(5.53)	(271.41)
Total	18.73	915.30	14.40	706.11

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.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

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35 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to Petroleum Refinery process, production of Biodiesel and production of electricity from solar cell. The privileges granted include:

Petroleum Refinery production

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for net profit of not over 100% of investment cost excluding land and working capital for environment protection for a period of eight years from the date on which the income is first derived from such operations.

Production of Biodiesel and production of electricity from solar cell

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2013			2012		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	80.04	24,701.34	24,781.38	66.20	13,961.60	14,027.80
Local sales	4,707.34	189,242.24	193,949.58	3,865.54	175,328.72	179,194.26
Eliminations			<u>(32,217.21)</u>			<u>(27,976.13)</u>
Total Revenue			<u>186,513.75</u>			<u>165,245.93</u>

	Separate financial statements					
	2013			2012		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	-	24,701.34	24,701.34	-	13,961.60	13,961.60
Local sales	778.34	157,806.81	158,585.15	378.19	148,283.04	148,661.23
Total Revenue	<u>778.34</u>	<u>182,508.15</u>	<u>183,286.49</u>	<u>378.19</u>	<u>162,244.64</u>	<u>162,622.83</u>

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Notes to the financial statements

36 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>4,652.92</u>	<u>4,272.56</u>	<u>3,971.58</u>	<u>4,199.89</u>
Number of ordinary shares outstanding	<u>1,376.92</u>	<u>1,376.92</u>	<u>1,376.92</u>	<u>1,376.92</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>3.38</u>	<u>3.10</u>	<u>2.88</u>	<u>3.05</u>

37 Dividends

At the Board of Directors meeting of the company held on 27 August 2013, the meeting approved the appropriation of dividend from retained earnings as of 30 June 2013 at Baht 0.60 per share, amounting to Baht 826.06 million. The dividend was paid to shareholders on 24 September 2013.

At the Annual General Meeting of the Shareholders, held on 10 April 2013, the shareholders approved a full year 2012 dividend payment at the rate of Baht 1.25 per share, totaling Baht 1,720.90 million, of which Baht 0.35 per share, totaling Baht 481.91 million was paid as an interim dividend for the first half year of 2012 on 21 September 2013. The remaining dividend was paid for the second half year of 2012 at the rate of Baht 0.90 per share totaling Baht 1,238.99 million on 24 April 2013.

At the Board of Directors meeting of the company held on 28 August 2012, the meeting approved the appropriation of dividend from retained earnings as of 30 June 2012 at Baht 0.35 per share, amounting to Baht 481.91 million. The dividend was paid to shareholders on 21 September 2012.

At the Annual General Meeting of the Shareholders, held on 3 April 2012, the shareholders approved the appropriation of annual dividend at the rate of Baht 1.65 per share, totalling Baht 2,271.85 million, of which Baht 0.65 per share, totalling Baht 894.97 million was paid as an interim dividend for the first half year of 2011 on 21 September 2011. The remaining dividend was paid for the second half year of 2011 at Baht 1.00 per share totalling Baht 1,376.88 million to the shareholders on 19 April 2012.

38 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.

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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's 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, which the Group defines as result from operating activities divided by total shareholders' equity, 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 debt securities and loan interest rates are mainly floated. The Group is primarily exposed to interest rate risk from its borrowings (Note 20). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

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:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<i>(in million Baht)</i>					
2013					
Current					
Loans from Financial institutions	3.9 – 5.2	1,042.50	-	-	1,042.50
Non-current					
Loans from Financial institutions	2.4 – 5.2	-	11,094.39	5,696.95	16,791.34
Debenture	4.9 – 5.3	-	-	2,995.71	2,995.71
Total		1,042.50	11,094.39	8,692.66	20,829.55
2012					
Current					
Loans from Financial institutions	4.2 – 5.1	1,009.85	-	-	1,009.85
Non-current					
Loans from Financial institutions	4.2 – 5.1	-	5,776.85	9,241.23	15,018.08
Debenture	4.9 – 5.3	-	-	2,995.01	2,995.01
Total		1,009.85	5,776.85	12,236.24	19,022.94

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	Effective interest rate (% per annum)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years	After 5 years	
<i>(in million Baht)</i>					
2013					
Current					
Loans from Financial institutions	3.9 – 4.4	776.66	-	-	776.66
Non-current					
Loans from Financial institutions	2.4 – 4.4	-	10,297.78	4,760.10	15,057.88
Debenture	4.9 – 5.3	-	-	2,995.71	2,995.71
Total		776.66	10,297.78	7,755.81	18,830.25
2012					
Current					
Loans from Financial institutions	4.2 – 4.5	890.15	-	-	890.15
Non-current					
Loans from Financial institutions	4.2 – 4.5	-	5,440.62	9,241.23	14,681.85
Debenture	4.9 – 5.3	-	-	2,995.01	2,995.01
Total		890.15	5,440.62	12,236.24	18,567.01

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

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:

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
USD and others					
Cash and cash equivalents	6	2,481.94	240.59	2,481.94	240.59
Trade accounts receivable	8	2,165.98	1,826.10	2,165.98	1,826.10
Receivable from oil hedging contracts		58.63	227.59	58.63	227.59
Trade accounts payable	21	-	(110.61)	-	(110.61)
Other current liabilities		(25.06)	(49.40)	(25.06)	(49.40)
Long term liabilities	20	(6,500.94)	-	(6,500.94)	-
Gross statement of financial position exposure		(1,819.45)	2,134.27	(1,819.45)	2,134.27
Currency forwards		7.47	111.69	7.47	111.69
Net exposure		(1,811.98)	2,134.27	(1,811.98)	2,134.27

Additionally, the Company entered into foreign currency buying and selling forward contracts, net totaling Baht 6,703.29 million, to hedge future sales and purchases transaction of goods with price denominated in foreign currencies.

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Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or 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 balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

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 and other short-term receivables is taken to approximate the carrying value.

The fair value of investments is taken to approximate the carrying value

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

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The fair value and book value of debentures reported in financial position as of 31 December were as follows :

	Consolidated financial statements		Separate financial statements	
	Fair value	Book value	Fair value	Book value
	<i>(in million Baht)</i>			
<i>Debentures</i>				
31 December 2013	3,035.94	2,995.71	3,035.94	2,995.71
31 December 2012	3,083.65	2,995.01	3,083.65	2,995.01

39 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Capital commitment</i>				
Construction projects	3,645.59	2,448.23	243.30	322.20
Total	3,645.59	2,448.23	243.30	322.20
<i>Non-cancellable operating lease commitments</i>				
Within one year	487.12	463.29	487.12	463.29
After one year but within five years	1,908.85	1,822.49	1,908.85	1,822.49
After five years	2,440.18	2,537.49	2,440.18	2,537.49
Total	4,836.15	4,823.27	4,836.15	4,823.27
<i>Other commitment</i>				
Bank guarantees	633.29	2,193.47	628.29	2,191.65
Total	633.29	2,193.47	628.29	2,191.65

The Company entered into 8.1 million barrels oil price hedging contracts with foreign oil traders for the periods between January 2014 and December 2015.

The Company entered into foreign currency buying forward contracts cover the period to January 2014 amounting to USD 59.56 million equivalents to Baht 1,959.91 million and selling forward contracts cover the period to December 2014 amounting to USD 266.13 million equivalents to Baht 8,655.74 million.

The Company entered into an interest rate swap contract for the following loan agreements by swap from float rate to fixed rate as stipulated in the agreements. The details are as follows:

Loan agreement facility <i>(in million Baht)</i>	Due date
1,000	30 June 2014
1,500	30 June 2015
7,000	30 December 2015
1,500	30 June 2016
1,000	30 December 2018

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40 Contingent liabilities and contingent assets

The Company (the fifth defendant) was co-accused with the Ministry of Finance (the first defendant) for alleged land right transgression and a demand for Baht 1,055 million in compensation. The land in question is located at the pier of the Refinery that the Company lodged against the Ministry of Finance. On 3 June 2009, the Appeal court upheld the civil court verdict to dismiss the case. This was re-appealed with the Supreme Court and currently under petition to Supreme Court.

The Company has utilized the tax privilege on the allowance for corporate income tax calculation for its 2006 tax payment which was in accordance with the announcement of the Director General of the Revenue Department regarding the corporate income tax (No. 156) “Criteria, procedures and conditions for the exemption of corporate income tax for the companies that registered its shares in the Stock Exchange of Thailand according to the Securities and Exchange Acts for payments of investment or extension, modification, addition or improvement of assets but not the repair of assets according to Section 65 Tri (5) of the Revenue Codes” and change in inventory costing method from first in first out to weighted average cost which was approved by The Revenue Department. The Revenue Department has examined and assessed the additional income tax payment totaling Baht 50 million that had previously been submitted by the Company and filed for appeal. Subsequently on 20 July 2011, the Revenue Department issued its verdict ruling to dismiss the return of the tax payment. The Company has submitted a petition to the Central Tax Court to revoke the Revenue Department’s ruling and the Central Tax Court ruled in favour of the Company. Subsequently, the Revenue Department re-appealed to The Supreme Court and the matter is currently under the Supreme Court’s proceeding.

41 Events after the reporting period

At the Board of Directors’ meeting held on 18 February 2014, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2013 dividend payment at the rate of Baht 1.35 per share, of which Baht 0.60 per share was paid as an interim dividend on 24 September 2013 as discussed in note 37. Thus, the remaining dividend will be at the rate of Baht 0.75 per share to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 9 April 2014.

42 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS that have been issued as of the reporting date but are not yet effective. Those new and revised TFRS that are applicable to the Group’s operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014

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TFRS	Topic	Year effective
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 13	Customer Loyalty Programmes	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate 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 except for the following TFRS:

TFRIC 4 – Determining whether an Arrangement contains a Lease

TFRIC 4 addresses arrangements that do not take the legal form of a lease, but convey rights to use items for agreed periods of time in return for a payment or series of payments. TFRIC 4 provides guidance for evaluating whether such arrangements are, or contain, leases that should be accounted for under TAS 17 Leases. If an agreement is determined to contain a lease, then TFRIC 4 requires TAS 17 to be applied to classify and account for the lease.

The Group will adopt TFRIC 4 with effect from 1 January 2014. The effects of the change will be recognised retrospectively in the financial statements. Management is presently considering the potential impact of adopting and initially applying these TFRS on the consolidated and separate financial statements.

TFRIC 13 – Customer Loyalty Programmes

TFRIC 13 addresses the accounting for an entity's obligation to provide free or discounted goods or services ('awards') in the future under a customer loyalty programme. TFRIC 13 requires that award credits are accounted for as a separately identified component of the sales transactions in which they are granted (the 'initial sale'). The fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The revenue and costs ascribed to the awards are only recognised when the award credits are redeemed or the entity otherwise fulfils its obligations in respect of the awards.

The Group will adopt TFRIC 13 with effect from 1 January 2014. The effects of the change will be recognised retrospectively in the financial statements. Management estimates that the impact on the financial statements as at 31 December 2013 and 1 January 2014 will be as follows: increase in total assets of Baht 14 million, increase in total liabilities of Baht 70 and decrease in retained earnings of Baht 56 million.