

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES

CONSOLIDATED AND ENTITY FINANCIAL STATEMENTS

31 DECEMBER 2013



AUDITOR'S REPORT

To the Members of The Stock Exchange of Thailand

I have audited the accompanying consolidated and entity financial statements of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand which comprise the consolidated and entity statements of financial position as at 31 December 2013, and the related consolidated and entity statements of comprehensive revenues and expenses, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In my opinion, the consolidated and entity financial statements referred to above present fairly, in all material respects, the consolidated and entity financial position of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand as at 31 December 2013, and its consolidated and entity results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to read 'Nattaporn', written over a horizontal line.

Nattaporn Phan-Udom
Certified Public Accountant (Thailand) No. 3430
PricewaterhouseCoopers ABAS Ltd.
Bangkok

19 February 2014

The Stock Exchange of Thailand and its Subsidiaries
Statements of Financial Position
As at 31 December 2013

		(Unit : Baht'000)				
		Consolidated			SET	
		(Restated)				
Notes	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	
Assets						
Current assets						
Cash and cash equivalents	9	1,795,113	1,045,674	364,643	1,686,363	769,867
Cash at banks for financial benefits payable		75,223	57,906	-	-	-
Assets for margin deposits and benefits	19	9,361,833	6,810,073	6,053,018	-	-
Short-term investments, net	10	10,632,814	7,275,683	9,452,678	10,586,614	7,238,663
Accounts receivable and accrued income, net	8, 11	287,552	293,969	214,109	219,249	269,162
Accrued interest receivable		227,051	138,852	101,948	223,028	134,565
Other current assets	8, 12	585,193	455,273	316,068	246,461	193,712
Total current assets		22,964,779	16,077,430	16,502,464	12,961,715	8,605,969
Non-current assets						
Investments in subsidiaries	13	-	-	-	597,291	597,291
Investments in jointly-controlled entity, net	14	60,184	76,359	58,495	25,000	25,000
Investments in associates, net	15	508,936	497,803	495,384	396,605	396,605
Long-term investments, net	16	5,126,076	8,314,525	5,329,372	5,123,301	8,265,430
Assets for clearing system protection and benefits	20	1,543,446	1,548,357	1,371,232	130,835	127,033
Securities Investor Protection Fund	25	665,433	651,101	617,837	665,433	651,101
Derivatives Investor Protection Fund	25	58,954	-	-	-	-
Property, plant and equipment, net	17	2,673,780	2,450,435	2,417,568	2,672,335	2,447,531
Intangible assets, net	18	434,831	318,113	223,104	431,915	315,440
Refundable deposits		3,015	2,888	3,228	3,005	2,878
Total non-current assets		11,074,655	13,859,581	10,516,220	10,045,720	12,828,309
Total assets		34,039,434	29,937,011	27,018,684	23,007,435	21,434,278

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

The Stock Exchange of Thailand and its Subsidiaries

Statements of Financial Position (Cont'd)

As at 31 December 2013

		(Unit : Baht'000)				
		Consolidated			SET	
		(Restated)				
Notes	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	
Liabilities and fund balances						
Current liabilities						
Margin deposits and benefits payable	19	9,361,833	6,810,073	6,053,018	-	-
Accounts payable and accrued expenses	8, 22	1,150,842	875,594	692,509	1,134,660	856,361
Fees received in advance		240,249	234,633	237,124	169,502	154,572
Short-term borrowings from subsidiaries	8	-	-	-	1,246,000	1,035,400
Current portion of provision for employee benefits	24	5,568	6,102	5,630	5,568	6,102
Other current liabilities	8, 23	756,398	669,945	506,493	243,596	273,524
Total current liabilities		11,514,890	8,596,347	7,494,774	2,799,326	2,325,959
Non-current liabilities						
Assets for clearing system protection and benefits payable	20	1,412,610	1,421,324	1,248,370	-	-
Contributions and benefits to Securities Investor Protection Fund	25	250,699	244,671	232,172	250,699	244,671
Contributions and benefits to Derivatives Investor Protection Fund	25	7,961	-	-	-	-
Provision for employee benefits	24	175,304	160,340	143,592	175,304	160,340
Other non-current liabilities		25,055	28,134	32,381	25,055	28,134
Total non-current liabilities		1,871,629	1,854,469	1,656,515	451,058	433,145
Total liabilities		13,386,519	10,450,816	9,151,289	3,250,384	2,759,104
Fund balances						
Funds	25	20,346,928	18,692,537	17,321,314	19,442,966	17,873,467
Unrealised gain on available-for-sale securities		305,985	793,656	546,079	314,085	801,707
Non-controlling interests		2	2	2	-	-
Total fund balances		20,652,915	19,486,195	17,867,395	19,757,051	18,675,174
Total liabilities and fund balances		34,039,434	29,937,011	27,018,684	23,007,435	21,434,278

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

The Stock Exchange of Thailand and its Subsidiaries
Statements of Comprehensive Revenues and Expenses
For the year ended 31 December 2013

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		(Restated)			
		2013	2012	2013	2012
Revenues					
Operating revenues	27	4,309,279	3,364,915	1,864,544	1,330,239
Investment income, net	28	820,730	982,181	1,229,584	1,256,113
Other income	29	171,728	151,562	1,752,589	1,489,015
Total revenues		5,301,737	4,498,658	4,846,717	4,075,367
Expenses					
Employee benefit expenses	30	1,240,228	1,084,261	1,240,235	1,084,325
Directors' remuneration		20,087	19,610	19,327	18,960
Marketing expenses		136,071	134,293	137,671	134,170
Educational activity expenses		157,246	195,083	157,246	195,083
Direct service expenses		237,823	184,743	-	-
Building and office expenses		162,230	153,864	161,694	153,288
Technology expenses		157,417	149,125	157,392	143,555
SEC fees	31	517,338	333,726	515,338	331,726
Depreciation and amortisation	17, 18	189,101	184,670	186,340	180,852
Other expenses	32	157,978	159,587	148,646	154,917
Total expenses		2,975,519	2,598,962	2,723,889	2,396,876
Share of profit of investments in jointly-controlled entity (net of income tax)	14	1,453	26,432	-	-
Share of profit of investments in associates (net of income tax)	15	11,076	1,964	-	-
Revenues over expenses		2,338,747	1,928,092	2,122,828	1,678,491
Non-operating items					
Income derived from Securities Investor Protection Fund, net	26	15,125	14,083	15,125	14,083
Income derived from Derivatives Investor Protection Fund, net	26	993	-	-	-
Contributions to the Stock Exchange of Thailand Foundation	8	(561,633)	(453,634)	(561,633)	(453,634)
Revenues over expenses before income tax expense		1,793,232	1,488,541	1,576,320	1,238,940
Income tax expense	33	(132,020)	(124,000)	-	-
Revenues over expenses		1,661,212	1,364,541	1,576,320	1,238,940
Revenues over expenses for the year attributable to:					
Owners of the parent		1,661,210	1,364,540	1,576,320	1,238,940
Non-controlling interests		2	1	-	-
		1,661,212	1,364,541	1,576,320	1,238,940

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

The Stock Exchange of Thailand and its Subsidiaries
Statements of Comprehensive Revenues and Expenses (Cont'd)
For the year ended 31 December 2013

		(Unit : Baht'000)			
		Consolidated		SET	
		(Restated)			
Notes	2013	2012	2013	2012	
Revenues over expenses	1,661,212	1,364,541	1,576,320	1,238,940	
Other comprehensive revenues and expenses:					
Available-for-sale financial assets					
Unrealised gain (loss) recognised in fund balances	(487,728)	247,122	(487,622)	247,086	
Share of profit in investments in associates	15	57	455	-	-
		(487,671)	247,577	(487,622)	247,086
Available-for-sale financial assets from					
Securities Investor Protection Fund, net	26	(6,821)	6,682	(6,821)	6,682
Total other comprehensive revenues and expenses		(494,492)	254,259	(494,443)	253,768
Total comprehensive revenues and expenses		1,166,720	1,618,800	1,081,877	1,492,708

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

The Stock Exchange of Thailand and its Subsidiaries
Statement of Changes in Fund Balances
For the year ended 31 December 2013

(Unit : Baht'000)

Consolidated												
Notes	Securities Clearing Reserve Fund	Derivatives Clearing Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	Derivatives Investor Protection Fund	General Fund	Unrealised gain (loss) on available- for-sale securities	Fund balances	Non- controlling interests	Total fund balances
Opening balance at 1 January 2012	2,000,000	300,000	100,000	8,109	97,923	385,665	-	14,430,168	546,049	17,867,914	2	17,867,916
Effect from adopted new accounting policy	3	-	-	-	-	-	-	(551)	30	(521)	-	(521)
Opening balance after adjustments	2,000,000	300,000	100,000	8,109	97,923	385,665	-	14,429,617	546,079	17,867,393	2	17,867,395
Changes in fund balance for the year												
Adjustment for SET building construction expenses	-	-	-	(340)	-	-	-	340	-	-	-	-
Total comprehensive revenues and expenses	26	-	-	-	1,990	20,765	-	1,348,468	247,577	1,618,800	-	1,618,800
Closing balance at 31 December 2012	<u>2,000,000</u>	<u>300,000</u>	<u>100,000</u>	<u>7,769</u>	<u>99,913</u>	<u>406,430</u>	<u>-</u>	<u>15,778,425</u>	<u>793,656</u>	<u>19,486,193</u>	<u>2</u>	<u>19,486,195</u>
Opening balance at 1 January 2013	2,000,000	300,000	100,000	7,769	99,913	406,430	-	15,776,668	793,769	19,484,549	2	19,484,551
Effect from adopted new accounting policy	3	-	-	-	-	-	-	1,757	(113)	1,644	-	1,644
Opening balance after adjustments	2,000,000	300,000	100,000	7,769	99,913	406,430	-	15,778,425	793,656	19,486,193	2	19,486,195
Appropriation of general fund	25	500,000	-	-	-	-	50,000	(550,000)	-	-	-	-
Total comprehensive revenues and expenses	26	-	-	-	2,598	8,304	993	1,642,496	(487,671)	1,166,720	-	1,166,720
Closing balance at 31 December 2013	<u>2,500,000</u>	<u>300,000</u>	<u>100,000</u>	<u>7,769</u>	<u>102,511</u>	<u>414,734</u>	<u>50,993</u>	<u>16,870,921</u>	<u>305,985</u>	<u>20,652,913</u>	<u>2</u>	<u>20,652,915</u>

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

The Stock Exchange of Thailand and its Subsidiaries
Statement of Changes in Fund Balances (Cont'd)
For the year ended 31 December 2013

(Unit : Baht'000)									
SET									
Notes	Securities	Derivatives	Indemnity	SET	Staff	Securities	General	Unrealised	Total fund
	Clearing	Clearing		Building		Investor			
	Reserve	Reserve	Fund	Construction	Welfare	Protection	Fund	for-sale	balances
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	securities	
Opening balance at 1 January 2012	2,000,000	300,000	100,000	8,109	97,923	385,665	13,736,148	554,621	17,182,466
Adjustment for SET building construction expenses	-	-	-	(340)	-	-	340	-	-
Total comprehensive revenues and expenses	26	-	-	-	1,990	20,765	1,222,867	247,086	1,492,708
Closing balance at 31 December 2012	<u>2,000,000</u>	<u>300,000</u>	<u>100,000</u>	<u>7,769</u>	<u>99,913</u>	<u>406,430</u>	<u>14,959,355</u>	<u>801,707</u>	<u>18,675,174</u>
Opening balance at 1 January 2013	2,000,000	300,000	100,000	7,769	99,913	406,430	14,959,355	801,707	18,675,174
Appropriation of general fund	25	500,000	-	-	-	-	(500,000)	-	-
Total comprehensive revenues and expenses	26	-	-	-	2,598	8,304	1,558,597	(487,622)	1,081,877
Closing balance at 31 December 2013	<u>2,500,000</u>	<u>300,000</u>	<u>100,000</u>	<u>7,769</u>	<u>102,511</u>	<u>414,734</u>	<u>16,017,952</u>	<u>314,085</u>	<u>19,757,051</u>

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

The Stock Exchange of Thailand and its Subsidiaries

Statements of Cash Flows

For the year ended 31 December 2013

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2013	2012	2013	2012
			(Restated)		
Cash flows from operating activities					
Revenues over expenses before income tax expense		1,793,232	1,488,541	1,576,320	1,238,940
Adjustments for					
Depreciation and amortisation	17, 18	189,101	184,670	186,340	180,852
Investment income, net		(816,734)	(958,488)	(1,225,544)	(1,233,072)
Income derived from Securities Investor Protection Fund, net	26	(15,125)	(14,083)	(15,125)	(14,083)
Income derived from Derivatives Investor Protection Fund, net	26	(993)	-	-	-
Impairment losses of investments (reversal)	28	6,691	(17,866)	6,691	(17,866)
Doubtful debts expenses (reversal)		(1,124)	574	(800)	1,066
Provision for employee benefits		24,252	23,003	24,252	23,003
Adjust work in process to expenses (revenues)		4,185	(2,365)	4,185	(2,337)
Gain on disposals of assets		(450)	(812)	(438)	(621)
Share of profit of investments in jointly-controlled entity (net of income tax)	14	(1,453)	(26,432)	-	-
Share of profit of investments in associates (net of income tax)	15	(11,076)	(1,964)	-	-
		1,170,506	674,778	555,881	175,882
Changes in operating assets and liabilities					
(Increase) decrease in operating assets					
Assets for margin deposits and benefits		(2,551,760)	(757,055)	-	-
Accounts receivable and accrued income		7,541	(80,434)	50,713	151,024
Other current assets		(127,400)	(130,592)	(56,709)	90,425
Assets for clearing system protection and benefits		4,911	(177,125)	(3,802)	(4,171)
Securities Investor Protection Fund		(12,160)	(32,836)	(12,160)	(32,836)
Derivatives Investor Protection Fund		(58,498)	-	-	-
Refundable deposits		(127)	340	(127)	340
Margin deposits and benefits payables		2,551,760	757,055	-	-
Accounts payable and accrued expenses		159,182	163,109	162,233	157,553
Fees received in advance		5,616	(2,491)	14,930	(14,646)
Other current liabilities		87,880	185,768	(29,928)	(59,245)
Assets for clearing system protection and benefits payables		(8,714)	172,954	-	-
Contributions and benefits to Securities Investor Protection Fund		6,028	12,499	6,028	12,499
Contributions and benefits to Derivative Investor Protection Fund		7,961	-	-	-
Employee benefits paid	24	(9,822)	(5,826)	(9,822)	(5,826)
Other non-current liabilities		(3,079)	(4,247)	(3,079)	(4,247)
Cash flows generated from operations		1,229,825	775,897	674,158	466,752
<u>Less</u> Income tax paid		(134,085)	(154,843)	-	-
Net cash generated from operating activities		1,095,740	621,054	674,158	466,752

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

The Stock Exchange of Thailand and its Subsidiaries

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2013

		(Unit : Baht'000)			
		Consolidated		SET	
		(Restated)			
Notes	2013	2012	2013	2012	
Cash flows from investing activities					
		424,078	590,171	408,012	553,587
		301,643	336,611	754,471	662,185
	10	(4,475,664)	(4,751,182)	(4,475,664)	(4,463,450)
	10	4,476,499	4,377,279	4,439,479	3,275,047
	16	(2,494,594)	(1,769,618)	(2,494,594)	(1,728,418)
	16	1,830,644	1,600,360	1,830,644	1,600,360
		(297,114)	(132,938)	(297,114)	(132,938)
		2,293	12,299	2,275	11,452
		(122,012)	(168,754)	(120,461)	(168,754)
		11,753	10,000	-	-
		12,953	13,655	12,953	13,655
		537	-	-	-
		(328,984)	117,883	60,001	(377,274)
Net cash generated from (used in) investing activities					
Cash flows from financing activities					
	8	-	-	400,000	561,000
	8	-	-	(189,400)	(85,000)
		-	-	(28,263)	(17,592)
		-	-	182,337	458,408
		-	-	182,337	458,408
		766,756	738,937	916,496	547,886
		1,103,580	364,643	769,867	221,981
		1,870,336	1,103,580	1,686,363	769,867
Net increase in cash and cash equivalents					
		1,103,580	364,643	769,867	221,981
		1,870,336	1,103,580	1,686,363	769,867
Closing balance					
Supplemental disclosures of cash flows information					
Cash and cash equivalents are as follows:					
	9	1,795,113	1,045,674	1,686,363	769,867
		75,223	57,906	-	-
		1,870,336	1,103,580	1,686,363	769,867
Significant non-cash transactions					
		(487,671)	247,577	(487,622)	247,086
		(6,821)	6,682	(6,821)	6,682
		116,066	19,976	116,066	19,976
		-	43	-	43
		3,368,057	(2,561,278)	3,321,857	(2,574,288)

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

The Stock Exchange of Thailand and its Subsidiaries
Notes to the Consolidated and Entity Financial Statements
For the year ended 31 December 2013

1 General information

The Stock Exchange of Thailand (SET) is a juristic entity incorporated in Thailand under the Securities Exchange of Thailand Act B.E. 2517. The principal business activities of the SET are serving as the market or the centre for trading of securities and providing related services without the objective of distribution of profit to members. The SET commenced its trading of securities on 30 April 1975 and operates under the framework of the Securities Exchange of Thailand Act B.E. 2535. Its registered office is located at 62 Ratchadapisek Road, Kwaeng Klongtoey, Khet Klongtoey, Bangkok 10110, Thailand.

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

The principal activities of SET and its subsidiaries are summarised as follows:

- 1) Securities markets comprise the operation of securities listing, trading system, clearing and settlement, depository, including market surveillance and supervision of listed companies and member companies.
- 2) Derivatives markets comprise the operation of trading and clearing of futures contracts and financial securities, providing other services related to futures trading transactions.
- 3) Technology services comprise the operation of internet trading platform for securities and derivatives, information services and other member services.
- 4) Registrar services comprise the operation of securities registrar and fund registrar.

The consolidated and entity financial statements were authorised for issue by the Board of Governors of the Stock Exchange of Thailand on 19 February 2014.

Details of the SET's subsidiaries, associates and jointly-controlled entity as at 31 December 2013 and 2012 are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest %	
			2013	2012
Direct subsidiaries				
Thailand Securities Depository Co., Ltd.	Securities depository and registrar services	Thailand	100.00	100.00
Thai Trust Fund Management Co., Ltd.	Mutual fund management	Thailand	100.00	100.00
Thai NVDR Co., Ltd.	Investment management in Non-Voting Depository Receipts	Thailand	100.00	100.00
SETTRADE.COM Co., Ltd.	Computer system services	Thailand	100.00	100.00
Siam DR Co., Ltd.	Investment management in Depository Receipts	Thailand	100.00	100.00
Thailand Futures Exchange Public Company Limited	Derivatives exchange	Thailand	100.00	100.00
Thailand Clearing House Co., Ltd.	Clearing house and related back-office services for securities and derivatives contracts	Thailand	100.00	100.00
Jointly-controlled entity				
Family Know-how Co., Ltd.	Media business specialising in financial and investment information	Thailand	50.00	50.00
Associates				
Clearing Fund (1)	Fund	Thailand	15.18	16.56
TSFC Securities Public Company Limited	Securities financing services and securities borrowing and lending	Thailand	24.66	24.66

1 General information (Cont'd)

Details of the SET's subsidiaries, associates and jointly-controlled entity as at 31 December 2013 and 2012 are as follows: (Cont'd)

(1) Clearing Fund

The Clearing Fund operates under the Regulations of the Clearing Fund (No. 1) B.E. 2541, which require that a one-time payment of Baht 100 million be made as an initial contribution by the SET. The ownership interest percentage will be reduced based on further contributions made by other members of the Clearing Fund in the future.

The SET has no control over the Clearing Fund's operations, but has influences in policy and operation. Therefore, the investment in the Clearing Fund is classified as investment in an associate.

2 Accounting policies

2.1 Basis of preparation

The consolidated and entity financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547.

The consolidated and entity financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy for investments below.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and entity financial statements are disclosed in Note 5.

An English version of the consolidated and entity financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New/revised accounting standards, revised financial reporting standards, related interpretations

- 1) New/revised accounting standards which are effective on 1 January 2013 and are relevant and have an impact to the Group are:

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

TAS 12 requires tax expenses to be recognised for current and deferred tax. New accounting policy of income taxes is provided in Note 2.19 and the significant impact to the Group are described in Note 3.

TAS 21 (Revised 2009) requires the Group to determine the functional currency which is the currency of the primary economic environment in which the Group operates. The assessed and concluded that Thai Baht is the Group's functional currency. As a consequence, applying TAS 21 (Revised 2009) has no impact to assets, liabilities and retained earnings. New accounting policy is described in Note 2.4

2 Accounting policies (Cont'd)

2.2 New/revised accounting standards, revised financial reporting standards, related interpretations (Cont'd)

- 1) New/revised accounting standards which are effective on 1 January 2013 and are relevant and have an impact to the entity are: (Cont'd)

TFRS 8 requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. New accounting policy is described in Note 2.20. The impact to the Group is only on a disclosure.

- 2) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group:

- a) Revised accounting standards and financial reporting standards effective for the periods beginning on or after 1 January 2014

TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 19 (Revised 2012)	Employee Benefits
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TFRS 8 (Revised 2012)	Operating Segments

TAS 7 (Revised 2012) clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

TAS 19 (Revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 28 (Revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2014. This standard has no impact to the Group.

TAS 31 (Revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 January 2014. This standard has no impact to the Group.

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

2 Accounting policies (Cont'd)

2.2 New/revised accounting standards, revised financial reporting standards, related interpretations (Cont'd)

2) Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) effective for the periods beginning on or after 1 January 2014

TSIC 32

Intangible assets - Web Site Costs

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS38 "Intangible Assets". This interpretation has no impact to the Group.

2.3 Investment in subsidiaries, jointly-controlled entity and associates

2.3.1 Subsidiaries

Subsidiaries are all the entities over which the SET has the power to govern the financial and operating policies. Subsidiaries are consolidated from the date on which control is transferred to the SET and are no longer consolidated from the date on which that control ceases.

All related party transactions, balances and unrealised gains and losses on transactions between the SET and its subsidiaries have been eliminated.

In the SET's financial statements, investments in subsidiaries are accounted for using the cost method. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared.

2.3.2 Jointly-controlled entity

The interest in a jointly controlled entity is accounted for using the equity method in the consolidated and the cost method in the entity financial statements.

2.3.3 Associates

Associates are the entities which the SET influences, but does not control. In the consolidated financial statements, investments in associates are initially recognised at cost and are subsequently accounted for using the equity method of accounting.

The SET's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive revenues and expenses. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the SET's share of losses in associates equal or exceed its interest in the associate, the SET does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the SET and its associates are eliminated to the extent of the SET's interest in the associates. Unrealised losses on transactions are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the entity's financial statements, investment in associates are accounted for using the cost method.

Allowance, if any, is recorded for impairment in investment in subsidiaries, jointly-controlled entity and associates in the statement of comprehensive revenues and expenses.

A list of the SET's principal subsidiaries, jointly-controlled entity and associates is provided in Note 1.

2 Accounting policies (Cont'd)

2.4 Foreign currencies

a) Functional and presentation currency

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

b) Transactions and balances

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

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

2.5 Underlying assets

Underlying assets are the financial assets carried by Thai NVDR Co., Ltd. (the subsidiary). The financial liabilities are the Non-Voting Depository Receipts (NVDRs). The subsidiary will offset the financial assets and financial liabilities, and show the net amount in the financial statements. According to the regulations and conditions in the prospectus the subsidiary are responsible for issuing and selling NVDRs and making investments in listed companies in the Stock Exchange of Thailand at the same amount and in the same period (back to back). In addition to the entitlement of financial benefits of those underlying securities as the registered holder, the subsidiaries have an obligation to repay those financial benefits to the investors in the NVDRs as mentioned in the prospectus. Those benefits are not recognised as revenues or expenses of the subsidiary.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, call deposits (excluding deposits held to maturities), other short-term highly liquid investments held for working capital and short-term commitment payment purposes with maturities from acquisition date of three months or less.

2 Accounting policies (Cont'd)

2.7 Investments

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

- (1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- (3) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (4) Investments in non-marketable equity securities are classified as general investments.

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

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on last bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. The unrealised gains and losses of trading investments are recognised in the statement of comprehensive revenues and expenses. The unrealised gains and losses of available for sale investments are recognised in fund balances.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss (if any).

General investments are carried at cost less impairment loss (if any).

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

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

2.8 Accounts receivable and accrued income

Accounts receivable and accrued income are carried at original invoice amount less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments, assessment of the future cash flows, known and identified instances of default and consideration of market trends. Bad debts are written off when incurred and recognised as part of other expenses in the statement of comprehensive revenues and expenses.

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment

Land is stated at cost less impairment losses. Property and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the statement of comprehensive revenues and expenses on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, except for land which is considered to have an unlimited useful life. The estimated useful lives are as follows:

Land improvements	5 years
Buildings	10 - 30 years
Building improvements	3 - 30 years
Furniture and fixtures	5 - 20 years
Office equipment	5 - 10 years
Vehicles	5 - 7 years

Management determines the estimated useful lives and residual values for the Group's property and equipment. Management will appropriately revise the residual values and useful lives of assets when the residual values and useful lives differ from previous estimations, or it will write-off technically obsolete assets or assets which have been sold or abandoned.

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

Repair and maintenance expenses are charged to the statement of comprehensive revenues and expenses during the financial period in which they are incurred. The cost of major renovation is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful lives of the related assets.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive revenues and expenses.

2.10 Intangible assets

Intangible assets, computer software, patent and right in operation, that are acquired by the Group, which have finite useful lives, are recognised at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of comprehensive revenues and expenses on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are 5 - 10 years.

Costs associated with developing or maintaining computer software are recognised as expenses as incurred in the statement of comprehensive revenues and expenses. Costs that are directly associated with identifiable and unique software products controlled by the Group and have probable economic benefits exceeding the cost beyond one year are recognised as intangible assets. Direct costs include the purchase price and an appropriate portion of relevant overheads to allow such asset to be ready for its intended use. Expenditure which is incurred to enhance or extend the performance of computer software beyond its original specifications is recognised as an intangible asset.

Management determines the estimated useful lives of intangible assets. Management will revise the amortisation charge where useful lives differ from the previous estimations or it will write-off technically obsolete assets or assets which have been sold or abandoned.

2 Accounting policies (Cont'd)

2.11 Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 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 the statement of comprehensive revenues and expenses over the period of the borrowings on an effective interest basis.

2.13 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

2.14 Employee benefits

Defined contribution plans

The Group participates in a provident fund, which is a defined contribution plan, the assets for which are held in a separate trustee-administered fund and are managed by a licensed Fund Manager. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the statement of comprehensive revenues and expenses in the year to which they are related.

Defined benefit plans

The Group provides for post employment retirement benefits, payable to employees under the labour laws applicable in Thailand. The liability in respect of employee benefits is measured, using the corridor method which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using the yield on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality rate, length of service and other factors. Actuarial gains or losses will be recognised as income or expense in the statement of comprehensive revenues and expenses if the net cumulative unrecognised actuarial gain and losses at the end of the previous reporting period exceeding the greater of 10% of the present value of the defined benefit obligation at that date (before deducting plan assets) and 10% of the future value of the plan assets at that date.

In determining the appropriate discount rate, the Group considers the interest rates in which the benefits will be paid to the staff.

2 Accounting policies (Cont'd)

2.14 Employee benefits (Cont'd)

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, 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, where appropriate, the risks specific to the liability. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are recognised in the period in which the Group becomes legally or constructively committed to payment. Costs relating to the ongoing activities are not classified as provisions.

2.16 Lease-where a Group is the lessee

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of comprehensive revenues and expenses on a straight-line basis over the term of the lease. Lease incentives granted are recognised in the statement of comprehensive revenues and expenses as an integral part of the total rental income. Contingent rentals are charged to the statement of comprehensive revenues and expenses for the accounting period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.17 Revenue

Revenue excludes value added taxes.

Service income is recognised upon performance of services.

Where there are long-outstanding receivables from listing fee and registrar fee collection over three months, the Group considers the collectability of the receivables as doubtful and ceases revenue recognition on fees of related companies immediately.

Membership fees comprise initial and annual fees. The initial fees are recognised as revenue on a straight-line basis over a period of five years starting from the first day on which the service is rendered. Annual fees are recognised upon performance of services.

2 Accounting policies (Cont'd)

2.17 Revenue (Cont'd)

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

Dividend income is recognised in the statement of comprehensive revenues and expenses when the Group's right to receive payment is established.

Other income is recognised when the right to receive cash is established.

2.18 Directors' remuneration

Directors' remuneration comprises the benefits paid to the Board of Governors of the SET and the Board of Directors of subsidiaries including benefits received by the members of sub-committees (excluding salaries, bonus and related benefits payable to management).

2.19 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in revenue or expense, except to the extent that it relates to items recognised in other comprehensive revenues and expenses or directly in fund balance. In this case the tax is also recognised in other comprehensive revenues and expenses or directly in fund balance, respectively.

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

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's senior management.

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3 Adjustments from adopted new accounting policy

The effects from adopted new accounting policy are as follows:

	(Unit: Baht'000)		
	Consolidated		
	Originally stated	Adjustment	Restated
Statement of financial position			
As at 1 January 2012			
Asset			
Current asset			
Other current assets	316,068	-	316,068
Non-current asset			
Investments in associates, net	495,307	77	495,384
Liabilities			
Current liabilities			
Other current liabilities	505,895	598	506,493
Fund balance			
Funds	17,321,865	(551)	17,321,314
Unrealised gain on available-for-sale securities	546,049	30	546,079
Statement of financial position			
as at 31 December 2012			
Assets			
Current asset			
Other current asset	453,255	2,018	455,273
Non-current asset			
Investments in associates, net	497,907	(104)	497,803
Liabilities			
Current liabilities			
Other current liabilities	669,675	270	669,945
Fund balance			
Funds	18,690,780	1,757	18,692,537
Unrealised gain on available-for-sale securities	793,769	(113)	793,656
Statement of comprehensive revenues and expenses			
for the year ended 31 December 2012			
Share of profit of investments in associates (net of income tax)	2,010	(46)	1,964
Income tax	(126,354)	2,354	(124,000)
Other comprehensive revenues and expenses:			
Available-for-sale financial assets			
Unrealised gain (loss) recognised in fund balances	247,130	(8)	247,122
Share of profit (loss) in investment in associates	590	(135)	455

4 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk and risk from investments and deposits. The Group's financial risk management programme focuses on investment management under investment policies and strategic asset allocation which is approved by the SET's Board of Governors and subsidiaries' Board of Director. The investment committees is strictly established to oversee the investment in compliance with the policies and strategic asset allocation defined. The investment policy aims on maintaining stability of the principal, while receiving the appropriate level of return.

4.1 Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

4.2 Interest rate risk

Interest rate risk arises from fluctuations in market interest rates which may affect the Group's operating results and cash flow. The market interest rate at the time of transaction will be considered when the borrowing transaction is initiated. The Group does not have interest rate derivative in order to manage fluctuation of the interest rate.

4.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has appropriate policies in place to ensure that Group sell products and provide services to customers who have appropriate credit history.

4.4 Liquidity risk

The Group has no significant exposure to liquidity risk as the Group has sufficient cash to support its operations. The Group aims on maintaining flexibility of funding by using internal capital of the Group.

4.5 Risk from investments and deposits

The Group is exposed to market risks as the investor of financial instruments, and credit risk from the issuer of financial instruments. The Group, therefore, has a policy of diversifying its investments and deposits to high credit financial institutions according to the investment policy prescribed by the resolution of the investment committee.

4 Financial risk management (Cont'd)

4.5 Risk from investments and deposits (Cont'd)

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

1) Investments in debt securities

Type of investment	Proportion of total investment
Government securities, debentures or bonds of state enterprises or entities incorporated by specific laws and guaranteed by the Ministry of Finance	Unlimited
Fixed deposits or NCDs at commercial banks and promissory notes of finance companies or financial institutions incorporated by specific laws	Not to exceed 15% per institution
Debentures or warrants of debentures and bills of exchange	Not to exceed 5% per issuer
Investment units or warrants of investment units in mutual funds invested in debt securities	Not to exceed 10% per mutual fund

2) Investments in equity securities

Type of investment	Proportion of total investment
Investment units or warrants of investment units in mutual funds invested in equity securities	Not to exceed 10% per mutual fund

3) Investments in property funds

Type of investment	Proportion of total investment
Property funds	Not to exceed 10% of project value, and amount not to exceed 2% of total investments

4) Investments in foreign investment funds

Type of investment	Proportion of total investment
Foreign investment funds	Not to exceed 3% of total investments

5) Investments in gold funds

Type of investment	Proportion of total investment
Gold funds	Not to exceed 3% of total investments

Investments in each asset management company should not exceed 40% of total investments.

5 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6 Capital risk management

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

In order to maintain or adjust the capital structure, the Subsidiaries in the Group may adjust the amount of dividends paid to shareholders depending on their operating performance.

7 Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

The Group comprises the following 5 main business segments:

- 1) Securities Markets (including securities trading, clearing and settlement, listing, depository and membership fees)
- 2) Derivatives Markets (including trading and clearing of future contracts and membership fees)
- 3) Technology Services (including member services, information services and technology support)
- 4) Registrar Services (including securities registrar and fund registrar)
- 5) Capital market development and others, i.e., expenses for Capital Market Development Fund (CMDf), rental income and other miscellaneous income. CMDf focuses on long-term development of capital market including improving financial and investment capabilities of Thai people and executives, promoting development of capital market industry, and conducting of capital market research.

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7 Segment information (Cont'd)

Financial information presented in the consolidated financial statements as at 31 December 2013 and 2012 and for the years ended 31 December 2013 and 2012 are as follows:

	(Unit : Baht'000)						
	Consolidated						
	Securities Markets	Derivatives Markets	Technology Services	Registrar Services	Capital Market Development and others	Elimination	Total
For the year ended 31 December 2013							
Revenues from operation	2,440,695	787,838	216,338	835,613	200,523	-	4,481,007
Revenue from inter-segment	631,969	600,318	35,052	432,526	31,577	(1,731,442)	-
Total revenue	<u>3,072,664</u>	<u>1,388,156</u>	<u>251,390</u>	<u>1,268,139</u>	<u>232,100</u>	<u>(1,731,442)</u>	<u>4,481,007</u>
Segment revenues over expenses	<u>1,314,043</u>	<u>229,643</u>	<u>72,988</u>	<u>228,441</u>	<u>(339,627)</u>	<u>-</u>	<u>1,505,488</u>
Investment income, net							820,730
Share of profit of investments in jointly-controlled entity (net of income tax)							1,453
Share of profit of investments in associates entity (net of income tax)							<u>11,076</u>
Revenues over expenses in operations							<u>2,338,747</u>
Non-operating items:							
Income derived from Securities Investor Protection Fund, net							15,125
Income derived from Derivative Investor Protection Fund, net							993
Contributions to the Stock Exchange of Thailand Foundation							<u>(561,633)</u>
Revenues over expenses before income tax expenses							<u>1,793,232</u>
Income tax expense							<u>(132,020)</u>
Revenues over expenses							<u>1,661,212</u>
As at 31 December 2013							
Segment assets	2,515,062	11,610,691	228,887	530,988	692,372	(264,964)	15,313,036
Other assets	-	-	-	-	20,422,174	(1,695,776)	18,726,398
Total assets	<u>2,515,062</u>	<u>11,610,691</u>	<u>228,887</u>	<u>530,988</u>	<u>21,114,546</u>	<u>(1,960,740)</u>	<u>34,039,434</u>
Segment liabilities	1,076,747	11,216,210	77,326	414,230	866,970	(264,964)	13,386,519
Other liabilities	-	-	-	-	1,246,000	(1,246,000)	-
Total liabilities	<u>1,076,747</u>	<u>11,216,210</u>	<u>77,326</u>	<u>414,230</u>	<u>2,112,970</u>	<u>(1,510,964)</u>	<u>13,386,519</u>

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7 Segment information (Cont'd)

Financial information presented in the consolidated financial statements as at 31 December 2013 and 2012 and for the year ended 31 December 2013 and 2012 are as follows: (Cont'd)

	Consolidated						Total
	Securities Markets	Derivatives Markets	Technology Services	Registrar Services	Capital Market Development and others	Elimination	
(Unit : Baht'000)							
For the year ended 31 December 2012							
Revenues from operation	1,733,902	737,265	183,926	699,576	161,808	-	3,516,477
Revenue from inter-segment	472,491	569,968	29,271	379,789	9,288	(1,460,807)	-
Total revenue	<u>2,206,393</u>	<u>1,307,233</u>	<u>213,197</u>	<u>1,079,365</u>	<u>171,096</u>	<u>(1,460,807)</u>	<u>3,516,477</u>
Segment revenues over expenses	<u>655,724</u>	<u>360,168</u>	<u>78,313</u>	<u>182,831</u>	<u>(359,521)</u>	<u>-</u>	917,515
Investment income, net							982,181
Share of profit of investments in jointly- controlled entity (net of income tax)							26,432
Share of profit of investments in associates entity (net of income tax)							<u>1,964</u>
Revenues over expenses in operations							1,928,092
Non-operating items:							
Income derived from Securities Investor Protection Fund, net							14,083
Contributions to the Stock Exchange of Thailand Foundation							<u>(453,634)</u>
Revenues over expenses before income tax expenses							<u>1,488,541</u>
Income tax expense							<u>(124,000)</u>
Revenues over expenses							<u>1,364,541</u>
As at 31 December 2012							
Segment assets	2,243,010	8,963,525	210,844	473,132	554,989	(337,125)	12,108,375
Other assets	-	-	-	-	19,308,667	(1,480,031)	17,828,636
Total assets	<u>2,243,010</u>	<u>8,963,525</u>	<u>210,844</u>	<u>473,132</u>	<u>19,863,656</u>	<u>(1,817,156)</u>	<u>29,937,011</u>
Segment liabilities	1,304,975	8,740,193	64,643	356,221	316,035	(331,251)	10,450,816
Other liabilities	-	-	-	-	1,035,400	(1,035,400)	-
Total Liabilities	<u>1,304,975</u>	<u>8,740,193</u>	<u>64,643</u>	<u>356,221</u>	<u>1,351,435</u>	<u>(1,366,651)</u>	<u>10,450,816</u>

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7 Segment information (Cont'd)

Reconciliation of reportable segment assets/liabilities were as follow:

	(Unit : Baht'000)	
	Consolidated	
	2013	2012
Assets	15,313,036	12,108,375
Assets for reportable segments		
Unallocated amounts:		
- Cash and investments	16,545,159	15,995,546
- Investments in related party	569,120	574,162
- Accrued interest receivables	227,051	138,852
- Land and building under construction	1,385,068	1,120,076
Total assets	<u>34,039,434</u>	<u>29,937,011</u>
Liabilities		
Total liabilities for reportable segments	13,386,519	10,450,816

8 Related party transactions

Related parties are those parties linked to the Group. Transactions with related parties are conducted at prices based on market prices or at contractually agreed prices where no market price exists.

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

Transaction	Pricing policy
Service income	Contractually agreed price
Purchase of services	Cost plus margin
Interest expense	With reference to the return of one-year bond

Related party transactions for the years ended 31 December 2013 and 2012 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Service income				
Subsidiaries	-	-	1,628,664	1,376,203
Jointly-controlled entity	14,638	13,560	14,638	13,542
Associates	1,339	1,128	-	-
	<u>15,977</u>	<u>14,688</u>	<u>1,643,302</u>	<u>1,389,745</u>
Purchase of services				
Subsidiaries	-	-	3,812	1,881
Jointly-controlled entity	97,865	168,952	97,865	168,952
	<u>97,865</u>	<u>168,952</u>	<u>101,677</u>	<u>170,833</u>
Interest income				
Subsidiaries	-	-	4,132	4,491
Interest expense				
Subsidiaries	-	-	28,263	17,591

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8 Related party transactions (Cont'd)

Related party balances as at 31 December 2013 and 2012 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Accounts receivable				
Subsidiaries	-	-	2,622	-
Jointly-controlled entity	1,249	352	1,249	352
	<u>1,249</u>	<u>352</u>	<u>3,871</u>	<u>352</u>
Accrued income				
Subsidiaries	-	-	118,970	163,563
Jointly-controlled entity	467	427	467	427
Associates	124	101	-	-
	<u>591</u>	<u>528</u>	<u>119,437</u>	<u>163,990</u>
Other current assets				
Subsidiaries	-	-	7	133
Jointly-controlled entity	1,277	96	1,277	5,969
	<u>1,277</u>	<u>96</u>	<u>1,284</u>	<u>6,102</u>
Payables				
Subsidiaries	-	-	107	-
Jointly-controlled entity	19,525	275	19,525	275
	<u>19,525</u>	<u>275</u>	<u>19,632</u>	<u>275</u>
Accrued expenses				
Subsidiaries	-	-	167	163
Jointly-controlled entity	2,042	14,764	2,042	14,764
	<u>2,042</u>	<u>14,764</u>	<u>2,209</u>	<u>14,927</u>
Other current liabilities				
Subsidiaries	-	-	162	-
Jointly-controlled entity	82	23	82	23
	<u>82</u>	<u>23</u>	<u>244</u>	<u>23</u>

Short-term borrowings from subsidiaries

	(Unit : Baht'000)			
	Interest rate (% per annum)		SET	
	2013	2012	2013	2012
Short-term borrowings from subsidiaries	2.15 - 2.77	2.50	<u>1,246,000</u>	<u>1,035,400</u>

The Group uses a policy to centrally manage its investments through the SET to maximise its efficiency and overall returns. Investments from subsidiaries represent loans in the form of one-year promissory notes. The interest rate on the loan is reference to the return one-year bond (the interest rate may be revised as appropriate).

8 Related party transactions (Cont'd)

Related party balances as at 31 December 2013 and 2012 were as follows: (Cont'd)

Short-term borrowings from subsidiaries (Cont'd)

Movements of short-term borrowings from subsidiaries for the years ended 31 December 2013 and 2012 were as follows:

	(Unit : Baht'000)	
	SET	
	2013	2012
Subsidiaries		
Opening balance	1,035,400	559,400
Additions	400,000	561,000
Repayments	(189,400)	(85,000)
Closing balance	<u>1,246,000</u>	<u>1,035,400</u>

Sponsorship for jointly-controlled entity

Under the shareholder agreement between the SET and a company, the SET will be a principal sponsor of a jointly-controlled entity's program in 2013 of Baht 90 million (2012 : Baht 166.4 million).

Contributions to the Stock Exchange of Thailand Foundation

In 2006, the Board of Governors of the SET approved the establishment of the Stock Exchange of Thailand Foundation (Foundation) and appointed the members of the Board of Governors as directors of the Board of the Foundation. In addition, the Board of Governors of the SET approved the appropriation of one-third of annual revenues over expenses of the SET to the Foundation for its social activities.

The Foundation was registered and incorporated on 9 August 2006 with the objective of conducting activities for the development of society, communities and the environment. The Foundation's activities focus on developing a vigorous Thai society and communities in order to prevent and resolve problems relating to addictive drugs and other problems affecting Thai youth and Thai society. In addition, the activities support projects and programmes relating to education.

For the year ended 31 December 2013, the SET appropriated its annual revenues over expenses of Baht 561.63 million (2012: Baht 453.63 million) to the Foundation.

Directors' remuneration

The directors' remuneration represents director fees and compensation fees for the Group's board of directors and other sub-committees.

The directors' remuneration for the year ended 31 December 2013 amounted to Baht 20.09 million (2012: Baht 19.61 million).

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9 Cash and cash equivalents

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Cash on hand	367	352	351	336
Savings and current accounts	1,436,866	740,983	1,328,132	490,294
Fixed deposit accounts	357,880	299,339	357,880	279,237
Bills of exchange	-	5,000	-	-
	<u>1,795,113</u>	<u>1,045,674</u>	<u>1,686,363</u>	<u>769,867</u>

For the year ended 31 December 2013, saving accounts carried the interest at rates ranging from 0.40% - 2.15% per annum (2012: from 0.20% - 2.40% per annum).

As at 31 December 2013, fixed deposit accounts at banks represented fixed deposit accounts at call that carried the interest at the rates ranging from 2.35% - 2.55% per annum (2012: from 2.50% - 2.75% per annum).

As at 31 December 2012, bills of exchange at financial institutions represented bills of exchange at call that carried the interest at the rate of 2.75% per annum.

10 Short-term investments, net

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2013	2012	2013	2012
Investments managed by SET					
General investments		69,185	40,869	69,185	40,869
<u>Less</u> Allowance for impairment losses	16	(13,698)	(3,602)	(13,698)	(3,602)
		<u>55,487</u>	<u>37,267</u>	<u>55,487</u>	<u>37,267</u>
Trading securities		-	23	-	23
Available-for-sales		70,079	-	70,079	-
Held-to-maturity debt securities	16	6,468,223	4,997,134	6,422,023	4,960,114
		<u>6,593,789</u>	<u>5,034,424</u>	<u>6,547,589</u>	<u>4,997,404</u>
Investments managed by private funds					
Held-to-maturity debt securities		1,162,140	803,544	1,162,140	803,544
Trading securities		2,876,885	1,437,715	2,876,885	1,437,715
		<u>4,039,025</u>	<u>2,241,259</u>	<u>4,039,025</u>	<u>2,241,259</u>
		<u>10,632,814</u>	<u>7,275,683</u>	<u>10,586,614</u>	<u>7,238,663</u>

Movements of short-term investments for the years ended 31 December 2013 and 2012 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Opening balance	7,275,683	9,452,678	7,238,663	8,614,168
Purchases	4,475,664	4,751,182	4,475,664	4,463,450
Disposals	(4,476,499)	(4,377,279)	(4,439,479)	(3,275,047)
Classification of investments (Note16)	3,368,057	(2,561,278)	3,321,857	(2,574,288)
Unrealised gain (loss) on available for-sale securities	5	(8,441)	5	(8,441)
(Allowance for impairment losses) reversal	(10,096)	18,821	(10,096)	18,821
Closing balance	<u>10,632,814</u>	<u>7,275,683</u>	<u>10,586,614</u>	<u>7,238,663</u>

10 Short-term investments, net (Cont'd)

Investments managed by the SET

As at 31 December 2013, fixed deposit accounts represented fixed deposit accounts at banks which had maturities not over 12 months and carried interest at rates ranging from 2.38% - 4.10% per annum (2012: ranging from 3.00% - 4.50% per annum).

As at 31 December 2013, investments in money market funds represent investments in three open-ended funds (2012: one open-ended fund). The investment policy emphasises investments in short-term debt securities.

As at 31 December 2013, government bonds, Bank of Thailand bonds, state enterprise bonds and debentures, which had coupon rates ranging from 3.00% - 4.90% per annum (2012: from 3.05% - 5.50% per annum) and market yields ranging from 2.77% - 2.91% per annum (2012: from 2.78% - 3.36% per annum).

Investments managed by private funds

As at 31 December 2013 investments in private funds are managed by three asset management companies (2012: two asset management companies). The investment policy for private funds is subject to the SET's regulations on deposits at financial institutions and investment policies as disclosed in Note 4 - Financial risk management. The Group presented investments managed by private funds as short-term investments.

For the year ended 31 December 2013, the return rates for investments managed by private funds ranged from 3.45% - 4.33% per annum (2012: from 3.88% - 3.91% per annum).

11 Accounts receivable and accrued income, net

		(Unit : Baht'000)			
		Consolidated		SET	
Note		2013	2012	2013	2012
Accounts receivable					
	Related parties	1,249	352	3,871	352
	Other parties	74,466	69,872	38,914	41,115
		75,715	70,224	42,785	41,467
	<u>Less</u> Allowance for doubtful accounts	(18,682)	(19,806)	(8,918)	(9,718)
		57,033	50,418	33,867	31,749
Accrued income					
	Related parties	591	528	119,437	163,990
	Other parties	229,928	243,023	65,945	73,423
		230,519	243,551	185,382	237,413
		287,552	293,969	219,249	269,162

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11 Accounts receivable and accrued income, net (Cont'd)

Aging analysis for accounts receivable is as follows:

		(Unit : Baht'000)			
		Consolidated		SET	
Note		2013	2012	2013	2012
Related parties					
	Within credit terms	1,249	205	3,871	205
	Overdue:				
	Less than 3 months	-	147	-	147
8		1,249	352	3,871	352
Other parties					
	Within credit terms	47,934	33,566	26,496	17,178
	Overdue:				
	Less than 3 months	7,013	15,465	2,769	13,289
	3 - 6 months	403	1,296	294	1,155
	6 - 12 months	102	947	99	859
	Over 12 months	19,014	18,598	9,256	8,634
		74,466	69,872	38,914	41,115
	<u>Less</u> Allowance for doubtful accounts	(18,682)	(19,806)	(8,918)	(9,718)
		55,784	50,066	29,996	31,397
		57,033	50,418	33,867	31,749

The normal credit terms granted by the Group range from 15 days to 30 days.

12 Other current assets

		(Unit : Baht'000)			
		Consolidated		SET	
		(Restated)			
		2013	2012	2013	2012
	Financial benefits to unitholders	200,321	41,080	-	-
	Other receivables from disposals of investments in mutual funds	127,452	-	127,452	-
	Cash for clearing collateral	121,531	242	-	-
	Thai Stock Market Flood Relief Fund	48,741	120,015	48,741	120,015
	Loans to employees	35,718	44,220	35,718	44,220
	Prepaid expenses	19,141	14,450	18,996	14,298
	Pending Input tax	8,681	3,174	8,656	3,126
	Value added tax receivable	6,519	4,958	-	-
	Withholding income tax receivable	6,277	2,799	-	-
	Inventory - publication	3,667	3,901	3,667	3,901
	Dividend receivable	1,965	51	1,965	5,925
	Deferred tax assets	1,953	2,018	-	-
	Refund for unallotted NVDRs	-	214,871	-	-
	Others	3,227	3,494	1,266	2,227
		585,193	455,273	246,461	193,712

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13 Investments in subsidiaries

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

	(Unit : Baht'000)							
	Ownership interest %		SET					
			Paid-up capital		Cost method		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries								
Thailand Securities Depository Co., Ltd.	100.00	100.00	200,000	200,000	200,000	200,000	305,000	190,000
Thai Trust Fund Management Co., Ltd.	100.00	100.00	100,000	100,000	100,000	100,000	2,700	-
Thai NVDR Co., Ltd.	100.00	100.00	10,000	10,000	10,000	10,000	13,800	-
SETTRADE.COM Co., Ltd.	100.00	100.00	80,000	80,000	74,591	74,591	109,599	58,799
Siam DR Co., Ltd.	100.00	100.00	10,000	10,000	10,000	10,000	2,700	-
Thailand Futures Exchange Public Company Limited	100.00	100.00	100,000	100,000	100,000	100,000	7,500	67,000
Thailand Clearing House Co., Ltd.	100.00	100.00	100,000	100,000	102,700	102,700	-	-
			<u>600,000</u>	<u>600,000</u>	<u>597,291</u>	<u>597,291</u>	<u>441,299</u>	<u>315,799</u>

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14 Investments in jointly-controlled entity, net

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Jointly-controlled entity				
Opening balance	76,359	58,495	25,000	25,000
Dividend received	(17,628)	(14,442)	-	-
Dividend income	-	5,874	-	-
Share of profit from investment under equity method	1,453	26,432	-	-
Closing balance	<u>60,184</u>	<u>76,359</u>	<u>25,000</u>	<u>25,000</u>

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14 Investments in jointly-controlled entity, net (Cont'd)

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

		(Unit : Baht'000)						
		Consolidated						
	Ownership interest	Paid-up capital		Equity method		Dividend income		
	%	2013	2012	2013	2012	2013	2012	
Jointly-controlled entity								
Family Know-how Co., Ltd.	50.00	50.00	50,000	50,000	60,184	76,359	-	5,874

		(Unit : Baht'000)						
		SET						
	Ownership interest	Paid-up capital		Cost method		Dividend income		
	%	2013	2012	2013	2012	2013	2012	
Jointly-controlled entity								
Family Know-how Co., Ltd.	50.00	50.00	50,000	50,000	25,000	25,000	11,754	15,874

Details of the investments and rights to receive dividends are provided in Note 35.1.

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14 Investments in jointly-controlled entity, net (Cont'd)

The following summary of the financial information in respect of the interest in the jointly-controlled entity as at 31 December 2013 and 2012 and for the years then ended which has been accounted for using the equity method represents the Group's share:

	(Unit : Baht'000)	
	Consolidated	
	2013	2012
Current assets	139,737	127,727
Non-current assets	45,594	58,877
Total assets	<u>185,331</u>	<u>186,604</u>
Current liabilities	56,761	33,673
Non-current liabilities	7,683	6,062
Total liabilities	<u>64,444</u>	<u>39,735</u>
Total revenues	195,261	248,349
Total expenses	191,085	171,563
Total comprehensive income	3,397	58,758

15 Investment in associates, net

	(Unit : Baht'000)			
	Consolidated		SET	
	(Restated)			
	2013	2012	2013	2012
Associates				
Opening balance	497,803	495,384	396,605	396,605
Share of profit from investments - recognised in statements of revenues and expenses	11,076	1,964	-	-
Share of profit for investments - recognised in statements of comprehensive revenues and expenses	57	455	-	-
Closing balance	<u>508,936</u>	<u>497,803</u>	<u>396,605</u>	<u>396,605</u>

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15 Investments in associates, net (Cont'd)

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

	Ownership interest %		(Unit : Baht'000)								
			Consolidated						Dividend income		
			Paid-up capital		Cost method, net		Equity method				2013
			2013	2012	2013	2012	2013	2012	2013	(Restated) 2012	
Associates											
Clearing Fund	15.18	16.56	1,176,471	1,050,743	100,000	100,000	183,495	178,489	-	-	
TSFC Securities Public Company Limited	24.66	24.66	1,016,740	1,016,740	296,605	296,605	325,441	319,314	-	-	
					<u>396,605</u>	<u>396,605</u>	<u>508,936</u>	<u>497,803</u>	<u>-</u>	<u>-</u>	

	Ownership interest %		(Unit : Baht'000)									
			SET									
			Paid-up capital		Cost method		Impairment		At cost, net		Dividend income	
			2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Associates												
Clearing Fund	15.18	16.56	1,176,471	1,050,743	100,000	100,000	-	-	100,000	100,000	-	-
TSFC Securities Public Company Limited	24.66	24.66	1,016,740	1,016,740	300,000	300,000	-	-	296,605	296,605	-	-
					<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>396,605</u>	<u>396,605</u>	<u>-</u>	<u>-</u>

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16 Long-term investments, net

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Available-for-sale investments	3,456,754	3,356,643	3,453,979	3,353,748
Held-to-maturity debt securities	1,656,143	4,893,100	1,656,143	4,846,900
General investments	13,179	68,187	13,179	68,187
<u>Less</u> Allowance for impairment losses	-	(3,405)	-	(3,405)
	<u>5,126,076</u>	<u>8,314,525</u>	<u>5,123,301</u>	<u>8,265,430</u>

As at 31 December 2012, fixed deposit accounts represented fixed deposits at banks which had maturities over one year and carried interest at rates ranging from 3.30% - 4.10% per annum.

Cash at banks by M.O.U. is used as security for housing loans provided to employees of the Group by a bank under a Memorandum of Understanding.

As at 31 December 2013, investments in general mutual funds represented investments in 19 open-ended funds, which have a policy of emphasising investment in equity securities of listed companies (2012: 11 funds) gold fund 9 funds (2012: 8 funds) and no debt fund (2012: one fund).

As at 31 December 2013, investments in property funds represented 9 closed-end non redeemable mutual funds (2012: 9 funds). These funds were established for acquiring, leasing and transferring properties and/or their leasehold rights and providing for income-generating properties. All these property funds are listed and traded on the Stock Exchange of Thailand.

As at 31 December 2013, investments in foreign investment funds represented investments in 12 open-ended funds (2012: 9 funds). The Feeder Fund policy is to emphasise investment in foreign fund securities.

As at 31 December 2013, government bonds, Bank of Thailand bonds and debentures which had maturities over one year to eight years, coupon rates ranging from 3.00% - 6.34% per annum (2012: from 3.00% - 5.19% per annum) and market yields ranging from 2.85% - 5.28% per annum (2012: from 3.02% - 4.93% per annum).

As at 31 December 2013, investments in specific-purpose funds represented investments in three open-ended venture capital funds (2012: three open-ended venture capital funds). The details are as follows:

- 1) In 2005, invested in an investment fund established by the government to strengthen and facilitate the recovery of businesses which suffered from the tsunami. The specific-purpose fund has a policy of investing in securities of businesses involved in the tourism industry that had been affected by the tsunami in the six southern provinces. The fund has an automatic redemption from the sixth year (2011) unless approval is obtained from the investment committee for redemption before the redemption restriction term.
- 2) In 2007, invested in a non-retail fund, which primarily invests directly in energy, alternative and renewable energy firms and businesses that support the government's energy policies. The fund is an open-ended fund and has an automatic redemption from the sixth year (2013) when the fund disposes of its assets, and then no further re-investment.
- 3) In 2008, invested in a non-retail fund which primarily invests directly in businesses and industries which have potential growth the majority of which was long-term investment. The fund has an automatic redemption from the fourth year (2012).

The specific-purpose investments in 2) and 3) have a commitment subscription for additional investment until the end of the contract (Note 34).

The investment portion that was redeemed in 2014 is presented as short-term investments (Note 10).

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16 Long-term investments, net (Cont'd)

Movements of long-term investments for the years ended 31 December 2013 and 2012 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Opening balance	8,314,525	5,329,372	8,265,430	5,308,512
Purchases	2,494,594	1,769,618	2,494,594	1,728,418
Disposals	(1,830,644)	(1,600,360)	(1,830,644)	(1,600,360)
Classification of investments (Note 10)	(3,368,057)	2,561,278	(3,321,857)	2,574,288
Adjustment	(71)	(446)	-	-
Unrealised gain (loss) on available-for-sale securities	(487,676)	256,018	(487,627)	255,527
Reversal (Allowance for impairment losses)	3,405	(955)	3,405	(955)
Closing balance	<u>5,126,076</u>	<u>8,314,525</u>	<u>5,123,301</u>	<u>8,265,430</u>

As at 31 December 2013 and 2012, held-to-maturity debt securities which were classified by maturity were as follows:

	(Unit : Baht'000)			
	Consolidated			
	Due			
	Within 1 year	1 to 5 years	Over 5 years	Total
31 December 2013				
Held-to-maturity debt securities				
Government bonds	-	1,046	-	1,046
Bank of Thailand bonds	-	100,000	-	100,000
Foreign bond	-	20,000	-	20,000
Debentures	148,533	646,457	385,000	1,179,990
Deposits at banks	6,319,690	503,640	-	6,823,330
	<u>6,468,223</u>	<u>1,271,143</u>	<u>385,000</u>	<u>8,124,366</u>
31 December 2012				
Held-to-maturity debt securities				
Government bonds	-	1,058	-	1,058
Bank of Thailand bonds	49,997	100,000	-	149,997
Debentures	410,010	553,203	211,908	1,175,121
Deposits at banks	4,537,127	4,026,931	-	8,564,058
	<u>4,997,134</u>	<u>4,681,192</u>	<u>211,908</u>	<u>9,890,234</u>

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16 Long-term investments, net (Cont'd)

As at 31 December 2013 and 2012, held-to-maturity debt securities which were classified by maturity, were as follows: (Cont'd)

	(Unit : Baht'000)			
	SET			Total
	Due			
Within 1 year	1 to 5 years	Over 5 years		
31 December 2013				
Held-to-maturity debt securities				
Government bonds	-	1,046	-	1,046
Bank of Thailand bonds	-	100,000	-	100,000
Foreign bonds	-	20,000	-	20,000
Debentures	148,533	646,457	385,000	1,179,990
Deposits at banks	6,273,490	503,640	-	6,777,130
	<u>6,422,023</u>	<u>1,271,143</u>	<u>385,000</u>	<u>8,078,166</u>
31 December 2012				
Held-to-maturity debt securities				
Government bonds	-	1,058	-	1,058
Bank of Thailand bonds	49,997	100,000	-	149,997
Debentures	397,010	553,203	211,908	1,162,121
Deposits at banks	4,513,107	3,980,731	-	8,493,838
	<u>4,960,114</u>	<u>4,634,992</u>	<u>211,908</u>	<u>9,807,014</u>

As at 31 December 2013 and 2012, the fair value of held-to-maturity debt securities were as follows:

	(Unit : Baht'000)			
	Amortised cost, net		Fair value	
	2013	2012	2013	2012
Consolidated				
Government bonds	1,046	1,058	1,065	1,078
Bank of Thailand bonds	100,000	149,997	106,424	157,079
Foreign bonds	20,000	-	19,985	-
Debentures	1,179,990	1,175,121	1,192,299	1,186,502
Deposits at banks and Bills of exchange	6,823,330	8,564,058	6,823,330	8,564,058
	8,124,366	9,890,234	8,143,103	9,908,717
<u>Less</u> Classification of investments to short-term investment (Note 10)	<u>(6,468,223)</u>	<u>(4,997,134)</u>	<u>(6,469,641)</u>	<u>(4,999,118)</u>
	<u>1,656,143</u>	<u>4,893,100</u>	<u>1,673,462</u>	<u>4,909,599</u>

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16 Long-term investments, net (Cont'd)

As at 31 December 2013 and 2012, the fair value of held-to-maturity debt securities were as follows: (Cont'd)

	(Unit : Baht'000)			
	SET			
	Amortised cost, net		Fair value	
	2013	2012	2013	2012
Government bonds	1,046	1,058	1,065	1,078
Bank of Thailand bonds	100,000	149,997	106,424	157,079
Foreign bonds	20,000	-	19,985	-
Debentures	1,179,990	1,162,121	1,192,299	1,173,425
Deposits at banks and Bills of exchange	6,777,130	8,493,838	6,777,130	8,493,838
	8,078,166	9,807,014	8,089,903	9,825,420
<u>Less</u> Classification of investments to short-term investment (Note 10)	(6,422,023)	(4,960,114)	(6,423,441)	(4,962,020)
	<u>1,656,143</u>	<u>4,846,900</u>	<u>1,673,462</u>	<u>4,863,400</u>

As at 31 December 2013 and 2012, the fair value of investments in specific-purpose funds were as follows:

	(Unit : Baht'000)					
	Consolidated and SET					
	Cost		Fair value		Impairment	
	2013	2012	2013	2012	2013	2012
Investments in specific-purpose funds	70,029	96,720	61,494	91,277	(13,698)	(7,007)
<u>Less</u> Classification of investment to short-term investments (Note 10)	(69,185)	(40,869)	(60,379)	(38,509)	13,698	3,602
	<u>844</u>	<u>55,851</u>	<u>1,115</u>	<u>52,768</u>	<u>-</u>	<u>(3,405)</u>

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17 Property, plant and equipment, net

(Unit : Baht'000)

	Consolidated					Total
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process / Building under construction	
As at 1 January 2012						
Cost	1,015,585	1,738,753	891,870	4,639	26,884	3,677,731
<u>Less</u> Accumulated depreciation	(768)	(507,510)	(750,994)	(891)	-	(1,260,163)
Net book amount	<u>1,014,817</u>	<u>1,231,243</u>	<u>140,876</u>	<u>3,748</u>	<u>26,884</u>	<u>2,417,568</u>
For the year ended 31 December 2012						
Opening net book amount	1,014,817	1,231,243	140,876	3,748	26,884	2,417,568
Additions	-	3,680	55,437	4,191	85,069	148,377
Disposals/write-off	(731)	-	(720)	(5,592)	-	(7,043)
Transfers	-	4,000	1,920	-	(5,920)	-
Depreciation charge	(64)	(71,361)	(39,198)	(199)	-	(110,822)
Adjustments	-	2,307	89	(62)	21	2,355
Closing net book amount	<u>1,014,022</u>	<u>1,169,869</u>	<u>158,404</u>	<u>2,086</u>	<u>106,054</u>	<u>2,450,435</u>
As at 31 December 2012						
Cost	1,014,022	1,746,413	893,264	3,238	106,054	3,762,991
<u>Less</u> Accumulated depreciation	-	(576,544)	(734,860)	(1,152)	-	(1,312,556)
Net book amount	<u>1,014,022</u>	<u>1,169,869</u>	<u>158,404</u>	<u>2,086</u>	<u>106,054</u>	<u>2,450,435</u>
For the year ended 31 December 2013						
Opening net book amount	1,014,022	1,169,869	158,404	2,086	106,054	2,450,435
Additions	-	3,211	74,701	1,350	268,833	348,095
Disposals/write-off	-	-	(274)	(1,350)	-	(1,624)
Depreciation charge	-	(69,297)	(49,491)	(153)	-	(118,941)
Adjustments	-	(343)	-	-	(3,842)	(4,185)
Closing net book amount	<u>1,014,022</u>	<u>1,103,440</u>	<u>183,340</u>	<u>1,933</u>	<u>371,045</u>	<u>2,673,780</u>
As at 31 December 2013						
Cost	1,014,022	1,749,281	929,398	3,238	371,045	4,066,984
<u>Less</u> Accumulated depreciation	-	(645,841)	(746,058)	(1,305)	-	(1,393,204)
Net book amount	<u>1,014,022</u>	<u>1,103,440</u>	<u>183,340</u>	<u>1,933</u>	<u>371,045</u>	<u>2,673,780</u>

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17 Property, plant and equipment, net (Cont'd)

	SET					(Unit : Baht'000)
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process / Building under construction	Total
As at 1 January 2012						
Cost	1,015,585	1,737,037	770,139	4,639	26,884	3,554,284
<u>Less</u> Accumulated depreciation	(768)	(506,338)	(634,391)	(891)	-	(1,142,388)
Net book amount	<u>1,014,817</u>	<u>1,230,699</u>	<u>135,748</u>	<u>3,748</u>	<u>26,884</u>	<u>2,411,896</u>
For the year ended 31 December 2012						
Opening net book amount	1,014,817	1,230,699	135,748	3,748	26,884	2,411,896
Additions	-	3,680	55,437	4,191	85,069	148,377
Disposals/write-off	(731)	-	(64)	(5,592)	-	(6,387)
Transfers	-	4,000	1,920	-	(5,920)	-
Depreciation charge	(64)	(71,298)	(37,131)	(199)	-	(108,692)
Adjustments	-	2,307	71	(62)	21	2,337
Closing net book amount	<u>1,014,022</u>	<u>1,169,388</u>	<u>155,981</u>	<u>2,086</u>	<u>106,054</u>	<u>2,447,531</u>
As at 31 December 2012						
Cost	1,014,022	1,744,696	806,770	3,238	106,054	3,674,780
<u>Less</u> Accumulated depreciation	-	(575,308)	(650,789)	(1,152)	-	(1,227,249)
Net book amount	<u>1,014,022</u>	<u>1,169,388</u>	<u>155,981</u>	<u>2,086</u>	<u>106,054</u>	<u>2,447,531</u>
For the year ended 31 December 2013						
Opening net book amount	1,014,022	1,169,388	155,981	2,086	106,054	2,447,531
Additions	-	3,211	74,701	1,350	268,833	348,095
Disposals/write-off	-	-	(268)	(1,350)	-	(1,618)
Depreciation charge	-	(69,256)	(48,079)	(153)	-	(117,488)
Adjustments	-	(343)	-	-	(3,842)	(4,185)
Closing net book amount	<u>1,014,022</u>	<u>1,103,000</u>	<u>182,335</u>	<u>1,933</u>	<u>371,045</u>	<u>2,672,335</u>
As at 31 December 2013						
Cost	1,014,022	1,747,564	848,632	3,238	371,045	3,984,501
<u>Less</u> Accumulated depreciation	-	(644,564)	(666,297)	(1,305)	-	(1,312,166)
Net book amount	<u>1,014,022</u>	<u>1,103,000</u>	<u>182,335</u>	<u>1,933</u>	<u>371,045</u>	<u>2,672,335</u>

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18 Intangible assets, net

	(Unit : Baht'000)			
	Consolidated			
	Computer software	Patent	Work in process	Total
As at 1 January 2012				
Cost	823,761	-	79,109	902,870
<u>Less</u> Accumulated amortisation	(679,766)	-	-	(679,766)
Net book amount	<u>143,995</u>	<u>-</u>	<u>79,109</u>	<u>223,104</u>
For the year ended 31 December 2012				
Opening net book amount	143,995	-	79,109	223,104
Additions	28,957	-	144,334	173,291
Disposals/write-off	(4,444)	-	-	(4,444)
Transfers	192,223	-	(192,223)	-
Amortisation charge	(73,848)	-	-	(73,848)
Adjustments	10	-	-	10
Closing net book amount	<u>286,893</u>	<u>-</u>	<u>31,220</u>	<u>318,113</u>
As at 31 December 2012				
Cost	1,038,235	-	31,220	1,069,455
<u>Less</u> Accumulated amortisation	(751,342)	-	-	(751,342)
Net book amount	<u>286,893</u>	<u>-</u>	<u>31,220</u>	<u>318,113</u>
For the year ended 31 December 2013				
Opening net book amount	286,893	-	31,220	318,113
Additions	60,765	861	125,471	187,097
Disposals/write-off	(219)	-	-	(219)
Amortisation charge	(70,154)	(6)	-	(70,160)
Closing net book amount	<u>277,285</u>	<u>855</u>	<u>156,691</u>	<u>434,831</u>
As at 31 December 2013				
Cost	1,000,634	861	156,691	1,158,186
<u>Less</u> Accumulated amortisation	(723,349)	(6)	-	(723,355)
Net book amount	<u>277,285</u>	<u>855</u>	<u>156,691</u>	<u>434,831</u>

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18 Intangible assets, net (Cont'd)

	(Unit : Baht'000)		
	SET		
	Computer software	Work in process	Total
As at 1 January 2012			
Cost	743,027	79,109	822,136
<u>Less</u> Accumulated amortisation	(603,383)	-	(603,383)
Net book amount	<u>139,644</u>	<u>79,109</u>	<u>218,753</u>
For the year ended 31 December 2012			
Opening net book amount	139,644	79,109	218,753
Additions	28,957	144,334	173,291
Disposals/write-off	(4,444)	-	(4,444)
Transfers	192,223	(192,223)	-
Amortisation charge	(72,160)	-	(72,160)
Closing net book amount	<u>284,220</u>	<u>31,220</u>	<u>315,440</u>
As at 31 December 2012			
Cost	957,501	31,220	988,721
<u>Less</u> Accumulated amortisation	(673,281)	-	(673,281)
Net book amount	<u>284,220</u>	<u>31,220</u>	<u>315,440</u>
For the year ended 31 December 2013			
Opening net book amount	284,220	31,220	315,440
Additions	60,075	125,471	185,546
Disposals/write-off	(219)	-	(219)
Amortisation charge	(68,852)	-	(68,852)
Closing net book amount	<u>275,224</u>	<u>156,691</u>	<u>431,915</u>
As at 31 December 2013			
Cost	919,686	156,691	1,076,377
<u>Less</u> Accumulated amortisation	(644,462)	-	(644,462)
Net book amount	<u>275,224</u>	<u>156,691</u>	<u>431,915</u>

19 Assets for margin deposits and benefits

Thailand Clearing House Co., Ltd. (TCH) is the clearing house for derivatives market. Members of TCH who have outstanding positions are obliged to place the required margin deposits as a guarantee according to the rate or amount called by TCH. TCH may invest the margin proceeds according to specified terms and conditions. The benefits, after deducting management fees, shall be distributed to members at the announced rates and procedures.

As at 31 December 2013 and 2012, the details of investments for which margin deposits were placed by members amounting to Baht 9,361.83 million and Baht 6,810.07 million, respectively are as follows:

	(Unit : Baht'000)	
	Consolidated	
	2013	2012
Savings and fixed deposit accounts	8,639,053	6,134,925
Savings account in foreign currency	395,028	245,174
Bonds	212,261	378,408
Accrued benefits	115,491	51,566
	<u>9,361,833</u>	<u>6,810,073</u>

As at 31 December 2013, savings account in foreign currency of USD 12.09 million was translated into Thai Baht using the average transfer buying rate announced by the Bank of Thailand at the end of the accounting period (2012: USD 8.04 million).

The Group presented margin deposits placed by members separately in the account "Assets for margin deposits and benefits" in current assets in the statement of financial position and presented liabilities in the same amount in the account "Margin deposits and benefits payables" in current liabilities in the statement of financial position.

20 Assets for clearing system protection and benefits

The assets for clearing system protection are established to secure the clearing system of Thailand Clearing House Co., Ltd. (TCH) against any damage caused by defaults by members or other incidents.

Assets for clearing system protection comprise the following :

20.1 Securities Deposit

Members of TCH are required to place a Securities Deposit according to the announcement made by TCH (the current Securities Deposit for general clearing members is not less than Baht 5 million per member and for gold related products clearing members is not less than Baht 4 million per member). TCH will invest the proceeds from the Securities Deposit and return any benefits derived from the Securities Deposit, after deducting management fees, to members in accordance with the announced rates and procedures. Assets held as Securities Deposit will be returned to members after their membership is terminated.

20 Assets for clearing system protection and benefits (Cont'd)

20.2 Clearing fund contributions comprising contributions from:

(1) The SET amounting to Baht 100 million

(2) Members of TCH:

- Initial contributions according to the announced rates (currently the initial contribution for general clearing members is not less than Baht 5 million per member or for gold related products clearing members is not less than Baht 1 million per member)
- Monthly contributions at a value of not less than Baht 1,000

Securities Deposit and benefits are the right of the payers according to the proportion of their contributions. When the membership is terminated, the member's Securities Deposit and benefits on contributions will be returned.

As at 31 December 2013 and 2012, assets for clearing system protection and benefits consist of:

	(Unit : Baht'000)					
	Securities Deposit and benefits		Consolidated Clearing fund and benefits		Total	
	2013	2012	2013	2012	2013	2012
Investments managed by TCH	725,497	824,030	-	-	725,497	824,030
Investments managed by private fund						
Savings accounts	1,558	972	259	2,690	1,817	3,662
Fixed deposit accounts	78,003	60,003	231,309	147,003	309,312	207,006
Other debt instruments	-	10,000	-	20,000	-	30,000
Trading Securities	132,155	138,300	355,218	328,416	487,373	466,716
	937,213	1,033,305	586,786	498,109	1,523,999	1,531,414
Accrued interest receivable	9,672	8,318	4,323	3,294	13,995	11,612
Other assets	52	89	5,400	5,242	5,452	5,331
	<u>946,937</u>	<u>1,041,712</u>	<u>596,509</u>	<u>506,645</u>	<u>1,543,446</u>	<u>1,548,357</u>

	(Unit : Baht'000)	
	SET	
	2013	2012
Clearing fund and benefits		
Contributions	100,000	100,000
Benefits	30,835	27,033
	<u>130,835</u>	<u>127,033</u>

20 Assets for clearing system protection and benefits (Cont'd)

Investment managed by TCH

For the year ended 31 December 2013, savings accounts carried interest at the rate of 0.5% - 0.625% per annum (2012: 0.50% per annum).

For the year ended 31 December 2013, fixed deposit accounts carried interest at the rates of 2.35% per annum (2012: from 2.50% - 2.75% per annum).

Investments managed by private fund

Investments in private fund are managed by 1 asset management company (2012: 1 company).

The investments policy of private fund is reference to the TCH's regulations in relation to deposits with financial institution and company's investment policies. For the year ended 31 December 2013, the investment in private fund have return rates ranging from 3.29% - 3.31% per annum (2012: from 3.69% - 3.73% per annum).

As at 31 December 2013 and 2012, assets for clearing system protection and benefits payables consist of:

	(Unit : Baht'000)	
	Consolidated	
	2013	2012
Securities Deposit and benefits		
Contributions	935,000	1,024,000
Benefits (semi-annually distribute to members)	11,937	17,712
	<u>946,937</u>	<u>1,041,712</u>
Clearing fund and benefits		
Contributions	409,321	330,513
Benefits	56,352	49,099
	<u>465,673</u>	<u>379,612</u>
	<u>1,412,610</u>	<u>1,421,324</u>

21 Deferred income taxes

	(Unit : Baht'000)	
	Consolidated	
	2013	2012
Deferred tax assets	1,953	2,018
Deferred tax liabilities	237	271
Deferred income taxes, net	<u>1,716</u>	<u>1,747</u>

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21 Deferred income taxes (Cont'd)

The gross movement of the deferred income tax account is as follows:

Deferred tax asset

	(Unit : Baht'000)	
	Consolidated	
	2013	2012
Opening balance	2,018	(467)
Charged/(credited) to profit or loss	(65)	2,485
Tax charged/(credited) directly to fund balance	-	-
Closing balance	<u>1,953</u>	<u>2,018</u>

Deferred tax liabilities:

	(Unit : Baht'000)	
	Consolidated	
	2013	2012
Opening balance	271	131
Charged/(credited) to profit or loss	(18)	131
Tax charged/(credited) directly to fund balance	(16)	9
Closing balance	<u>237</u>	<u>271</u>

22 Accounts payable and accrued expenses

		(Unit : Baht'000)			
		Consolidated		SET	
	Note	2013	2012	2013	2012
Accounts payable					
Subsidiaries	8	-	-	107	-
Jointly-controlled entity	8	19,525	275	19,525	275
		<u>19,525</u>	<u>275</u>	<u>19,632</u>	<u>275</u>
Other parties		136,666	57,947	135,964	52,786
		<u>156,191</u>	<u>58,222</u>	<u>155,596</u>	<u>53,061</u>
Accrued expenses					
Subsidiaries	8	-	-	167	163
Jointly-controlled entity	8	2,042	14,764	2,042	14,764
		<u>2,042</u>	<u>14,764</u>	<u>2,209</u>	<u>14,927</u>
Other parties		992,609	802,608	976,855	788,373
		<u>994,651</u>	<u>817,372</u>	<u>979,064</u>	<u>803,300</u>
		<u>1,150,842</u>	<u>875,594</u>	<u>1,134,660</u>	<u>856,361</u>

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23 Other current liabilities

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	(Restated) 2012	2013	2012
Dividend payable from registrar services to shareholders	200,321	41,080	-	-
Withholding tax payable	162,132	114,119	107,114	84,571
Clearing collateral payables	121,531	242	-	-
Financial benefits payable	75,223	57,906	-	-
Thai Stock Market Flood Relief Fund	48,741	120,015	48,741	120,015
Income tax payable	43,688	45,082	-	-
Other retention payables	30,606	18,373	30,602	18,369
Provision for employee benefits from accumulated annual leave	22,951	20,903	22,951	20,903
Ngoen-Thong-khong-Mee-Kha Fund	11,275	11,299	11,275	11,299
Deferred tax liabilities	237	271	-	-
Refund for unalotted TNVDR	-	214,871	-	-
Others	39,693	25,784	22,913	18,367
	<u>756,398</u>	<u>669,945</u>	<u>243,596</u>	<u>273,524</u>

24 Provision for employee benefits

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Obligations in statement of financial position				
Retirement benefits	149,754	137,325	149,754	137,325
Other benefits	31,118	29,117	31,118	29,117
	<u>180,872</u>	<u>166,442</u>	<u>180,872</u>	<u>166,442</u>
Charge in the statement of comprehensive revenues and expenses				
Retirement benefits	20,891	19,766	20,891	19,766
Other benefits	3,361	3,238	3,361	3,238
	<u>24,252</u>	<u>23,004</u>	<u>24,252</u>	<u>23,004</u>

As at 31 December 2013 and 2012, the amounts of liabilities recognised in the statement of financial position are determined as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Present value of obligations				
Retirement benefits	170,751	158,732	170,751	158,732
Other benefits	31,118	29,117	31,118	29,117
	<u>201,869</u>	<u>187,849</u>	<u>201,869</u>	<u>187,849</u>
Unrecognised actuarial loss				
Retirement benefits	(20,997)	(21,407)	(20,997)	(21,407)
Liabilities in the statement of financial position	<u>180,872</u>	<u>166,442</u>	<u>180,872</u>	<u>166,442</u>

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24 Provision for employee benefits (Cont'd)

Movements of the provision for employee benefits for the years ended 31 December 2013 and 2012 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Opening balance	166,442	149,222	166,442	149,222
Current service cost	16,829	16,087	16,829	16,087
Interest costs	7,012	6,370	7,012	6,370
Unrealised gain from actuarial	411	546	411	546
Transfer from jointly-controlled entity	-	43	-	43
	190,694	172,268	190,694	172,268
<u>Less</u> Benefits paid	(9,822)	(5,826)	(9,822)	(5,826)
Closing balance	180,872	166,442	180,872	166,442
<u>Less</u> Current portion	(5,568)	(6,102)	(5,568)	(6,102)
Total non-current portion	175,304	160,340	175,304	160,340

For the years ended 31 December 2013 and 2012, the principal actuarial assumptions used were as follows:

	2013	2012
Discount rate as of 31 December	3.80%	3.80%
Salary increase rate - permanent employees	5.00% - 10.00%	5.00% - 10.00%
Salary increase rate - contract employees	4.50%	4.50%
Average turnover rate	0.00% - 9.00%	0.00% - 9.00%
Pre-retirement mortality rate	0.08% - 1.03%	0.08% - 1.03%
Retirement age	60 years old	60 years old

25 Fund balances

Details of fund balances are as follows:

Securities Clearing Reserve Fund

In 1997 and 2013, the Board of Governors of the SET approved an appropriation of general funds of Baht 2,000 million and Baht 500 million, respectively, totalling Baht 2,500 million to the Securities Clearing Reserve Fund, which is operated by a subsidiary of the SET, in order to resolve liquidity risk in the event of default on clearing and settlement from securities trading on SET.

Derivatives Clearing Reserve Fund

In 2004, the Board of Governors of the SET approved an appropriation of general funds of Baht 300 million to the Derivatives Clearing Reserve Fund in order to assure contingent losses from the clearing system of futures contracts at Thailand Clearing House Co., Ltd.

Indemnity Fund

In 1993 and 2002, the Board of Governors of the SET approved appropriations of general funds totalling Baht 100 million to the Indemnity Fund in order to assist and assure the Board of Governors of the SET and those appointed assignees on matters requiring consideration and decisions which may affect or cause damages to other parties.

25 Fund balances (Cont'd)

Details of fund balances are as follows: (Cont'd)

SET Building Construction Fund

In 1992, the Board of Governors of the SET approved an appropriation of general funds totalling Baht 580 million for the construction of SET buildings. Construction of the office buildings was completed in 1998. The remaining fund balance of Baht 246.30 million is reserved for further construction of a parking building.

In 2008, the Board of Governors of the SET approved the construction of the car park building from the above mentioned remaining fund balance. As at 31 December 2013, SET Building Construction Fund had balance Baht 7.77 million (2012: Baht 7.77 million).

Staff Welfare Fund

In 1997 and 2004, the Board of Governors of the SET approved appropriations of general funds was Baht 75 million to the Staff Welfare Fund. All benefits earned from this fund are retained in the fund.

Securities Investor Protection Fund

In 2004, the Board of Governors of the SET approved an appropriation of Baht 300 million from broker seat admission fees as an initial fund for the establishment of the Securities Investor Protection Fund (SIPF).

The SIPF was formally established under SIPF regulations on 1 October 2004. The objective of the fund is to protect and build investor confidence in trading listed securities on the SET through the members of the SIPF. As at 31 December 2013, 33 securities companies were SIPF members (2012: 32 companies).

The assets of SIPF consist of:

- 1) the initial fund from the SET of Baht 300 million;
- 2) the cumulative membership entrance fees and monthly fees collected from the members ; and
- 3) the future benefits generated from investments in the SIPF.

The fund will protect the investors' assets which are in the custody of the securities brokers who are members of the SIPF. In the event that the members of the SIPF fail to return the assets to investors, each investor shall be compensated by the SIPF for the related damages at the actual cost, but not exceeding Baht 1 million per SIPF member, in the following cases:

- 1) if any SIPF member is in receivership under the Bankruptcy Act or
- 2) if there are disputes concerning the purchase or sale of securities listed on the SET between investors and any SIPF member, and the arbitrator's award is that the SIPF member shall return the assets to investors, but the SIPF member violates the award.

The protection will not include any losses from securities trading regardless of who makes the investment decision.

25 Fund balances (Cont'd)

Details of fund balances are as follows: (Cont'd)

Securities Investor Protection Fund (Cont'd)

The SIPF's financial statements included as part of the consolidated and entity's financial statements are as follows:

	(Unit : Baht'000)	
	Consolidated and SET	
	2013	2012
Assets		
Current assets		
Cash deposits and short-term investments	487,632	401,320
Accrued interest receivable	8,318	4,611
Other current asset	5	-
Total current assets	495,955	405,931
Non-current assets		
Long-term investments	169,478	245,170
Total assets	665,433	651,101
Liabilities and fund balances		
Non-current liabilities		
Contributions from members	202,322	201,315
Benefits on contributions from members	48,377	43,356
Total non-current liabilities	250,699	244,671
Fund balances		
Initial fund	300,000	300,000
Benefits on contributions from SET	114,734	106,430
Total fund balances	414,734	406,430
Total liabilities and fund balances	665,433	651,101

The SIPF's statement of revenues and expenses for the years ended 31 December 2013 and 2012 are presented in Note 26 to the financial statements "Results of fund operations".

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25 Fund balances (Cont'd)

Details of fund balances are as follows: (Cont'd)

Derivatives Investor Protection Fund

In 2012 the Company's board of directors of Thailand Futures Exchange Public Company Limited (TFEX), a subsidiary, has a resolution to establish the Derivatives Investor Protection Fund (DIPF) and approved an appropriation of Baht 50 million as an initial fund.

The DIPF was established on 15 November 2012. The objective of the DIPF is to provide protection for derivatives contracts investors in accordance with the rules prescribed by the Company. Investors need to be protected must become customers of DIPF members and is a Thai natural person, a juristic person incorporated in Thailand who is not an institutional investor under the Derivatives Act B.E. 2546 (2003). As at 31 December 2013, there were 41 DIPF members from security companies (2012: 37 DIPF members).

Assets of the DIPF consist of the Company's initial capital, admission fees and contributions collected from members of the DIPF, and yields or benefits obtained from the proceeds and assets of the DIPF after the deduction of expenses for the operation of the DIPF. At the time of its establishment, the DIPF will have assets worth no less than Baht 100 million, which consists of initial capital of THB 50 million from the Company and admission fees and contributions from DIPF members in the rest to make the total of Baht 100 million. The Company may collect additional sums of money as it deems necessary and appropriate.

The DIPF's financial statement included as part of the consolidated and entity's financial statements is as follows:

	(Unit : Baht'000)
	Consolidated
	2013
	<hr/>
Assets	
Current assets	
Cash deposits and short-term investments	57,622
Contributions from members	978
Accrued interest receivable	354
	<hr/>
Total current assets	58,954
	<hr/>
Liabilities and fund balances	
Non-current liabilities	
Contributions from members	7,601
Benefits on contributions from members	93
Other non-current liabilities	267
	<hr/>
Total non-current liabilities	7,961
	<hr/>
Fund balances	
Initial fund	50,000
Benefits on contributions from TFEX	993
	<hr/>
Total fund balances	50,993
	<hr/>
Total liabilities and fund balances	58,954
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The DIPF's statement of revenues and expenses for the years ended 31 December 2013 are presented in Note 26 to the financial statements "Results of fund operations".

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26 Results of fund operations

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows:

	(Unit : Baht'000)				
	Consolidated				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund	Total
For the year ended 31 December 2013					
Revenues					
Operating revenues	-	-	-	4,309,279	4,309,279
Investment income, net	2,598	15,268	1,392	818,132	837,390
Other income	-	-	-	184,257	184,257
Total revenues	2,598	15,268	1,392	5,311,668	5,330,926
Expenses					
Operating expenses	-	143	151	2,975,519	2,975,813
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	561,633	561,633
Income tax expense	-	-	248	132,020	132,268
Total expenses	-	143	339	3,669,172	3,669,714
Revenues over expenses	2,598	15,125	993	1,642,496	1,661,212
Total other comprehensive revenues and expenses - available-for-sale financial assets	-	(6,821)	-	(487,671)	(494,492)
Total comprehensive revenues and expenses	2,598	8,304	993	1,154,825	1,166,720
For the year ended 31 December 2012					
Revenues					
Operating revenues	-	-	-	3,364,915	3,364,915
Investment income, net	1,990	14,185	-	980,191	996,366
Other income	-	-	-	179,958	179,958
Total revenues	1,990	14,185	-	4,525,064	4,541,239
Expenses					
Operating expenses	-	102	-	2,598,962	2,599,064
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	453,634	453,634
Income tax expense	-	-	-	124,000	124,000
Total expenses	-	102	-	3,176,596	3,176,698
Revenues over expenses	1,990	14,083	-	1,348,468	1,364,541
Total other comprehensive revenues and expenses - available-for-sale financial assets	-	6,682	-	247,577	254,259
Total comprehensive revenues and expenses	1,990	20,765	-	1,596,045	1,618,800

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26 Results of fund operations (Cont'd)

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows: (Cont'd)

	(Unit : Baht'000)				Total
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund	
For the year ended 31 December 2013					
Revenues					
Operating revenues	-	-	-	1,864,544	1,864,544
Investment income, net	2,598	15,268	-	1,226,986	1,244,852
Other income	-	-	-	1,752,589	1,752,589
Total revenues	2,598	15,268	-	4,844,119	4,861,985
Expenses					
Operating expenses	-	143	-	2,723,889	2,724,032
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	561,633	561,633
Total expenses	-	143	-	3,285,522	3,285,665
Revenues over expenses	2,598	15,125	-	1,558,597	1,576,320
Total other comprehensive revenues and expenses -available-for- sale financial assets	-	(6,821)	-	(487,622)	(494,443)
Total comprehensive revenues and expenses	2,598	8,304	-	1,070,975	1,081,877
For the year ended 31 December 2012					
Revenues					
Operating revenues	-	-	-	1,330,239	1,330,239
Investment income, net	1,990	14,185	-	1,254,123	1,270,298
Other income	-	-	-	1,489,015	1,489,015
Total revenues	1,990	14,185	-	4,073,377	4,089,552
Expenses					
Operating expenses	-	102	-	2,396,876	2,396,978
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	453,634	453,634
Total expenses	-	102	-	2,850,510	2,850,612
Revenues over expenses	1,990	14,083	-	1,222,867	1,238,940
Total other comprehensive revenues and expenses -available-for- sale financial assets	-	6,682	-	247,086	253,768
Total comprehensive revenues and expenses	1,990	20,765	-	1,469,953	1,492,708

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27 Operating revenues

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Trading fees	1,588,371	1,113,290	1,233,094	792,468
Stock registrar fees	769,709	645,182	-	-
Clearing fees	487,709	331,742	-	-
Member services fees	416,041	371,564	-	-
Listing fees	361,030	313,994	361,030	313,994
Depository fees	234,356	188,903	-	-
Information service fees	216,338	183,923	178,944	151,603
Membership fees	101,146	112,549	22,800	22,800
Fund registrar fees	65,903	54,394	-	-
Customisation and IT support fees	68,676	49,374	68,676	49,374
	<u>4,309,279</u>	<u>3,364,915</u>	<u>1,864,544</u>	<u>1,330,239</u>

28 Investment income, net

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2013	2012	2013	2012
Interest income		730,333	687,797	445,177	412,586
<u>Less</u> Interest expense					
Short-term borrowings from subsidiaries	8	-	-	(28,263)	(17,591)
Assets for clearing system protection - members' portion		(269,913)	(248,016)	-	-
Interest income, net		460,420	439,781	416,914	394,995
Dividend income from					
Mutual funds		295,532	330,051	295,307	329,827
Subsidiaries	13	-	-	441,299	315,799
Jointly-controlled entity	14	-	5,874	11,754	15,874
Other entities		2,151	2,168	2,151	2,168
Realised gain from investments		58,676	180,614	58,118	174,409
Unrealised gain from investments		10,642	5,827	10,732	5,175
Reversals of impairment/(impairment loss)		(6,691)	17,866	(6,691)	17,866
		<u>820,730</u>	<u>982,181</u>	<u>1,229,584</u>	<u>1,256,113</u>

29 Other income

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Educational activities income	35,707	32,015	35,707	32,015
Revenues from marketing event	34,005	26,082	34,005	26,082
Revenues from fees and management funds	23,454	20,552	-	-
Fines	17,154	9,962	10,890	5,036
Service income	15,977	14,688	1,643,302	1,389,745
Rental & utilities revenue	13,701	12,538	13,558	12,538
Other income	31,730	35,725	15,127	23,599
	<u>171,728</u>	<u>151,562</u>	<u>1,752,589</u>	<u>1,489,015</u>

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30 Employee benefit expenses

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Management				
Salaries and other benefits	143,582	151,844	143,582	151,844
Contributions to provident fund	10,757	12,260	10,757	12,260
	<u>154,339</u>	<u>164,104</u>	<u>154,339</u>	<u>164,104</u>
Other employees				
Salaries and other benefits	1,028,169	865,742	1,028,176	865,806
Contributions to provident fund	57,720	54,415	57,720	54,415
	<u>1,085,889</u>	<u>920,157</u>	<u>1,085,896</u>	<u>920,221</u>
	<u>1,240,228</u>	<u>1,084,261</u>	<u>1,240,235</u>	<u>1,084,325</u>

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 3.00% to 10.00% of their basic salaries and by the Group at the rate of 10.00% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

31 SEC fees

The Securities and Exchange Act B.E. 2535 requires the SET to pay to the SEC at a rate as determined by the Board of the SEC.

In 2010, the Board of the SEC has approved to charge SET for the year 2011-2013 (for the period of 3 years) as follows:

1. Charge at the rate of 0.002% of trading value of the year, and
2. Charge on total equity of listing companies who have never issued securities for sale under the approval of the SEC, at the same rate that the SEC charge from listed companies who issued securities and submit report to the SEC according to clause 56 of the SEC Act. In 2011 and 2012, the SEC will charge at 50% and 70% of the amount calculated, respectively. In 2013, the SEC charge at 100% of the amount calculated.

However, if there is an event changes or problems of implementation during the period, terms and conditions may be revised.

The Board of the SEC also approved to charge fees from Thailand Future Exchange (Public) Co., Ltd. for derivatives trading exchange. The rate for year 2011 - 2013 is Baht 2 million per annum.

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32 Other expenses

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Fees and compensation expenses	60,186	75,877	55,859	72,312
Travelling and vehicle expenses	34,450	33,877	34,052	33,877
Contributions to capital market institutions	29,315	21,421	29,315	21,421
Institution membership fees	4,083	3,599	3,466	2,958
Meeting expenses	3,720	3,222	3,720	3,222
Entertainment expenses	2,581	2,280	2,581	2,280
Other expenses	23,643	19,311	19,653	18,847
	<u>157,978</u>	<u>159,587</u>	<u>148,646</u>	<u>154,917</u>

33 Income tax expense

	(Unit : Baht'000)	
	Consolidated	
	2013	2012
Current income tax		
Current income tax	131,973	126,354
Total Current income tax	<u>131,973</u>	<u>126,354</u>
Deferred income tax (Note 21)		
Origination and reversal of temporary differences	47	(2,354)
Total deferred income tax	<u>47</u>	<u>(2,354)</u>
Total income tax expense	<u>132,020</u>	<u>124,000</u>

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

	(Unit : Baht'000)	
	Consolidated	
	2013	2012
Revenues over expenses before income tax expense	1,793,234	1,488,541
Tax calculated at a tax rate of 20% (2012: 23%)	358,647	342,364
Income not subject to tax	982	1,124
Expenses not deductible for tax purposes	(298)	(582)
Eliminated transaction between related party, net of income tax	88,105	68,404
Revenues over expenses - Stock Exchange of Thailand, net of income tax	(315,264)	(284,956)
Revenues over expenses - Derivatives Investor Protection Fund (TFEX's portion), net of income tax	(199)	-
Current income tax	<u>131,973</u>	<u>126,354</u>

The weight average applicable tax rate was 7% (2012: 8%). The decrease is caused by a change in corporate income tax rate announced by the Revenue Department

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34 Commitments with non-related parties

	(Unit : Baht'000)			
	Consolidated		SET	
	2013	2012	2013	2012
Capital commitments				
Buildings and other constructions	2,176,756	16,759	2,176,756	16,759
Computer and software	146,548	174,195	146,548	174,195
	<u>2,323,304</u>	<u>190,954</u>	<u>2,323,304</u>	<u>190,954</u>
Non-cancellable operating lease commitments				
Within one year	11,607	11,266	11,607	11,266
After one year but within five years	19,014	22,440	19,014	22,440
	<u>30,621</u>	<u>33,706</u>	<u>30,621</u>	<u>33,706</u>
Land lease commitments				
Within one year	13,525	13,525	13,525	13,525
After one year but within five years	58,408	56,254	58,408	56,254
Over 5 years	158,994	174,673	158,994	174,673
	<u>230,927</u>	<u>244,452</u>	<u>230,927</u>	<u>244,452</u>
Derivative trading and clearing system maintenance commitments				
Within one year	80,561	75,251	80,561	75,251
After one year but within five years	200,332	215,597	200,332	215,597
Over 5 years	20,868	66,274	20,868	66,274
	<u>301,761</u>	<u>357,122</u>	<u>301,761</u>	<u>357,122</u>

Moreover, the SET has an obligation to capital commitment subscription in two specific-purpose funds (Note 16) as follows:

1. Fund invested directly in energy, alternative a renewable energy firms and businesses that support the government's energy policies. The Asset Management Company will make additional investments from the SET amounting to Baht 18.4 million unless the payment was made in the full amount of capital commitment subscription of due in terms of the 10 years (3 August 2017).
2. Fund invested in business and industries which have potential growth. The capital commitment subscription has in first four year, which due on 11 August 2012.

35 Litigation, contingent assets and contingent liabilities

35.1 Litigation

35.1.1 SET

In 2012, the Group sued the insurance group because the Stock Exchange of Thailand building was fire damaged. The Group is seeking compensation for alleged damages relating to dismiss a insurance contract amount Baht 123 million combined with interest rate at 7.50% per annum. In 2013, the Civil court dismissed not to pay compensation to the Group. The case has not been finalised and the Group appealed the verdict. As at 31 December 2013 the case is under the consideration by the Appeal court so the outcome of the case has not presently been finalised. Therefore, the Group has not recorded any potential income in the financial statements for the years ended 31 December 2013 and 2012.

35 Litigation, contingent assets and contingent liabilities (Cont'd)

35.2 Contingent assets

35.2.1 Jointly-controlled entity

In 2009, the SET restructured the business of Family Know-how Co., Ltd. (Family Know-how) by entering into a joint venture arrangement with another company, which holds 50.00% of the registered share capital in Family Know-how. The SET holds 2,500,000 preference shares and the other company holds 2,500,000 ordinary shares. During the period from 1 January 2010 to 31 December 2012, the preference shareholders will be entitled to receive dividends before the ordinary shareholders from the operating result of Family Know-how. It will receive 10% of the net profit before legal reserve, and also receive dividends from the remaining net profit according to proportion of share holding in Family Know-how. After year 2012, all shares will have equal right and status.

As at 31 December 2012, the SET has accrued dividend income which it has the right to receive at 10% of Family Know-how's net profit for the year ended 31 December 2012, amounting to Baht 5.87 million.

35.3 Contingent liabilities

35.3.1 SET

As at 31 December 2013, the SET has letters of guarantee issued by banks totalling Baht 4.61 million (2012: Baht 4.40 million) in respect of electricity usage in the ordinary course of business from which management anticipates that no material liabilities will arise.

The SET has issued a letter of comfort to a bank in respect of an overdraft credit line of Baht 2,400 million (2012: Baht 2,400 million) granted to Thailand Clearing House Co., Ltd. (TCH), a subsidiary, for clearing and settlement of equity instruments and derivatives. Under the terms of the letter of comfort, the SET is required to maintain its shareholding at 100.00% of the registered share capital in TCH to the end of the credit period. In addition, the SET is required to support TCH's operations to ensure its ability to repay the debt to the bank. As at 31 December 2013, TCH had not drawn down the overdraft credit line.

35.3.2 Subsidiaries

During 2009, a subsidiary of the SET was named in a civil lawsuit as joint defendant (together with other individuals and juristic persons/entities) for alleged wrongful acts. The plaintiff is seeking compensation for alleged damages relating to the forgery of ordinary share certificates and for the defendants to be jointly responsible for compensation totalling Baht 223 million. In 2011, the civil court has considered the dismissal of the case. The outcome of the case has not presently been finalised and it's under the appeal of the plaintiff. The management of the subsidiary has assessed the current status of the litigation and anticipates that the case will not give rise to any significant loss to the subsidiary. Therefore, the subsidiary has not recorded any potential losses in the financial statements for the years ended 31 December 2013 and 2012.

The Group is a defendant in various pending legal cases with third parties from normal operations. In the opinion of management, after taking appropriate legal advice, the anticipated outcome is that these legal cases will not give rise to any significant losses.