

**Nation Broadcasting Corporation Public Company
Limited and its Subsidiaries**

Financial statements for the year ended
31 December 2012
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Nation Broadcasting Corporation Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Nation Broadcasting Corporation Public Company Limited and its subsidiaries, and of Nation Broadcasting Corporation Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of Nation Broadcasting Corporation Public Company Limited and its subsidiaries, and of Nation Broadcasting Corporation Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

(Vichien Thamtrakul)
Certified Public Accountant
Registration No. 3183

KPMG Phoomchai Audit Ltd.
Bangkok
15 February 2013

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated		
		financial	Separate	
		statements	financial statements	
		31 December	31 December	
		2012	2012	2011
			<i>(in Baht)</i>	
<i>Current assets</i>				
Cash and cash equivalents	5	87,396,197	76,767,216	86,083,908
Trade accounts receivable	6	198,710,073	198,710,073	178,638,721
Accrued income		55,806,287	55,806,287	40,720,600
Other receivables from related parties	4	21,649,596	21,796,804	255,016
Inventories	7	17,949,688	17,949,688	11,916,088
Other current assets	8	38,794,435	38,789,471	17,720,872
Total current assets		<u>420,306,276</u>	<u>409,819,539</u>	<u>335,335,205</u>
<i>Non-current assets</i>				
Investment in subsidiaries	9	-	10,500,000	-
Equipment	10	146,175,999	146,175,999	108,981,339
Intangible assets	11	3,620,905	3,620,905	3,522,755
Withholding tax deducted at source		1,512,396	1,512,396	22,476,972
Other non-current assets	12	9,145,767	9,145,767	11,380,051
Total non-current assets		<u>160,455,067</u>	<u>170,955,067</u>	<u>146,361,117</u>
Total assets		<u>580,761,343</u>	<u>580,774,606</u>	<u>481,696,322</u>

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of financial position

	<i>Note</i>	Consolidated		
		financial statements		Separate
		31 December		31 December
Liabilities and equity		2012	2012	2011
			<i>(in Baht)</i>	
<i>Current liabilities</i>				
Trade accounts payable	13	37,183,406	37,183,406	30,070,435
Other payables to related parties	4	12,577,155	12,577,155	10,427,312
Accrued expenses		67,656,039	67,623,039	51,029,485
Other payables		54,598,943	54,485,853	22,676,593
Income tax payable		-	-	2,440,484
Other current liabilities	14	32,706,886	32,706,886	28,190,290
Total current liabilities		204,722,429	204,576,339	144,834,599
<i>Non-current liability</i>				
Employee benefit obligations	15	15,964,838	15,964,838	14,792,785
Total non-current liability		15,964,838	15,964,838	14,792,785
Total liabilities		220,687,267	220,541,177	159,627,384
<i>Equity</i>				
Share capital	16, 19			
Authorised share capital		178,500,000	178,500,000	178,500,000
Issued and paid-up share capital		176,870,000	176,870,000	173,438,000
Treasury shares	17	(5,153,851)	(5,153,851)	(4,535,543)
Premium on ordinary shares	16, 19	106,947,100	106,947,100	98,950,540
Retained earnings				
Appropriated				
Legal reserve	18	15,700,000	15,700,000	13,100,000
Treasury shares reserve	18	5,153,851	5,153,851	4,535,543
Unappropriated		60,556,976	60,716,329	36,580,398
Total equity		360,074,076	360,233,429	322,068,938
Total liabilities and equity		580,761,343	580,774,606	481,696,322

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements	Separate financial statements	
		For the year ended 31 December	For the year ended 31 December	
	<i>Note</i>	2012	2012	2011
			<i>(in Baht)</i>	
<i>Income</i>				
Revenue from sale of goods and rendering of services	4	737,079,087	737,079,087	666,497,130
Other income	21	3,336,645	3,152,006	1,821,414
Total income		740,415,732	740,231,093	668,318,544
<i>Expenses</i>				
Cost of sale of goods and rendering of services	4	539,759,656	539,759,656	400,765,630
Selling expenses	22	59,994,954	59,994,954	84,672,664
Administrative expenses	23	53,904,486	53,561,474	48,535,270
Management benefit expenses	24	24,188,425	24,188,425	23,108,940
Finance costs		282,789	281,809	313,283
Total expenses		678,130,310	677,786,318	557,395,787
Profit before income tax expense		62,285,422	62,444,775	110,922,757
Income tax expense	26	(14,260,576)	(14,260,576)	(23,842,667)
Profit for the year		48,024,846	48,184,199	87,080,090
Other comprehensive income		-	-	-
Total comprehensive income for the year		48,024,846	48,184,199	87,080,090
Profit attributable to:				
Owners of the Company		48,024,846	48,184,199	87,080,090
Non-controlling interests		-	-	-
Profit for the year		48,024,846	48,184,199	87,080,090

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Consolidated	Separate	
	financial	financial statements	
	statements	financial statements	
	For the year ended	For the year ended	
	31 December	31 December	
<i>Note</i>	2012	2012	2011
		<i>(in Baht)</i>	
Total comprehensive income attributable to:			
Owners of the Company	48,024,846	48,184,199	87,080,090
Non-controlling interests	-	-	-
Total comprehensive income for the year	<u>48,024,846</u>	<u>48,184,199</u>	<u>87,080,090</u>
Earnings per share	<i>27</i>		
Basic earnings per share	<u>0.28</u>	<u>0.28</u>	<u>0.51</u>
Diluted earnings per share	<u>0.28</u>	<u>0.28</u>	<u>0.50</u>

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity

		Consolidated financial statements						
		Retained earnings						
		Issued and paid-up share capital	Treasury shares	Share premium	Legal reserve	Treasury shares reserve	Unappropriated	Total equity
	<i>Note</i>							
<i>(in Baht)</i>								
Year ended 31 December 2012								
Balance at 1 January 2012		173,438,000	-4,535,543	98,950,540	13,100,000	4,535,543	36,580,398	322,068,938
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the Company</i>								
Shares options exercised	16, 19	3,432,000	-	-	-	-	-	3,432,000
Share premium	16, 19	-	-	7,996,560	-	-	-	7,996,560
Treasury shares purchased	17	-	-618,308	-	-	-	-	-618,308
Dividends to owners of the Company	28	-	-	-	-	-	-20,829,960	-20,829,960
Total contributions by and distributions to owners of the Company		3,432,000	-618,308	7,996,560	-	-	-20,829,960	-10,019,708
Total transactions with owners, recorded directly in equity		3,432,000	-618,308	7,996,560	-	-	-20,829,960	-10,019,708
Comprehensive income for the year		-	-	-	-	-	48,024,846	48,024,846
Transfer to legal reserve	18	-	-	-	2,600,000	-	-2,600,000	-
Transfer to treasury shares reserve	18	-	-	-	-	618,308	-618,308	-
Balance at 31 December 2012		176,870,000	-5,153,851	106,947,100	15,700,000	5,153,851	60,556,976	360,074,076

The accompanying notes are an integral part of these financial statements

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Treasury shares	Share premium	Retained earnings			
					Legal reserve <i>(in Baht)</i>	Treasury shares reserve	Unappropriated	
Year ended 31 December 2011								
Balance at 1 January 2011		172,259,000	-	96,203,470	8,700,000	-	27,376,351	304,538,821
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the Company</i>								
Shares options exercised	16, 19	1,179,000	-	-	-	-	-	1,179,000
Premium on ordinary shares	16, 19	-	-	2,747,070	-	-	-	2,747,070
Treasury shares purchased	17	-	-4,535,543	-	-	-	-	-4,535,543
Dividends to owners of the Company	28	-	-	-	-	-	-68,940,500	-68,940,500
<i>Total contributions by and distributions to owners of the Company</i>		1,179,000	-4,535,543	2,747,070	-	-	-68,940,500	-69,549,973
Total transactions with owners, recorded directly in equity		1,179,000	-4,535,543	2,747,070	-	-	-68,940,500	-69,549,973
Comprehensive income for the year		-	-	-	-	-	87,080,090	87,080,090
Transfer to legal reserve	18	-	-	-	4,400,000	-	-4,400,000	-
Transfer to treasury shares reserve	18	-	-	-	-	4,535,543	-4,535,543	-
Balance at 31 December 2011		173,438,000	-4,535,543	98,950,540	13,100,000	4,535,543	36,580,398	322,068,938

The accompanying notes are an integral part of these financial statements

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Treasury shares	Share premium	Retained earnings			
					Legal reserve <i>(in Baht)</i>	Treasury shares reserve	Unappropriated	
Year ended 31 December 2012								
Balance at 1 January 2012		173,438,000	-4,535,543	98,950,540	13,100,000	4,535,543	36,580,398	322,068,938
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners of the Company</i>								
Shares options exercised	16, 19	3,432,000	-	-	-	-	-	3,432,000
Premium on ordinary shares	16, 19	-	-	7,996,560	-	-	-	7,996,560
Treasury shares purchased	17	-	-618,308	-	-	-	-	-618,308
Dividends to owners of the Company	28	-	-	-	-	-	-20,829,960	-20,829,960
<i>Total contributions by and distributions to owners of the Company</i>		3,432,000	-618,308	7,996,560	-	-	-20,829,960	-10,019,708
Total transactions with owners, recorded directly in equity		3,432,000	-618,308	7,996,560	-	-	-20,829,960	-10,019,708
Comprehensive income for the year		-	-	-	-	-	48,184,199	48,184,199
Transfer to legal reserve	18	-	-	-	2,600,000	-	-2,600,000	-
Transfer to treasury shares reserve	18	-	-	-	-	618,308	-618,308	-
Balance at 31 December 2012		176,870,000	-5,153,851	106,947,100	15,700,000	5,153,851	60,716,329	360,233,429

The accompanying notes are an integral part of these financial statements

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements	Separate financial statements	
	For the year ended 31 December 2012	For the year ended 31 December 2011	
		<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit for the year	48,024,846	48,184,199	87,080,090
<i>Adjustments for</i>			
Depreciation	36,357,353	36,357,353	24,352,400
Amortisation of intangible assets	1,011,750	1,011,750	701,828
Investment income	(1,877,091)	(1,692,453)	(1,103,848)
Employee benefit obligations	1,985,987	1,985,987	-
Finance costs	282,789	281,809	313,283
Bad debt and doubtful debts expense	2,468,357	2,468,357	3,688,455
Gain on disposal of equipment	(384,229)	(384,229)	-
Loss on written-off of equipment	432,972	432,972	467,900
Income tax expense	14,260,576	14,260,576	23,842,667
	102,563,310	102,906,321	139,342,775
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable	(22,539,710)	(22,539,710)	(13,122,593)
Accrued income	(15,085,687)	(15,085,687)	8,440,400
Other receivables from related parties	(21,394,580)	(21,541,788)	2,195,710
Inventories	(6,033,600)	(6,033,600)	(4,970,133)
Other current assets	1,403,409	1,408,372	(9,631,536)
Withholding tax deducted at source	(14,610,895)	(14,610,895)	(14,085,258)
Other non-current assets	2,234,284	2,234,284	(4,807,429)
Trade accounts payable	7,112,971	7,112,971	698,081
Other payables to related parties	2,149,843	2,149,843	(832,840)
Accrued expenses	16,626,554	16,593,555	(7,219,683)
Other payables	31,922,351	31,809,261	8,132,235
Other current liabilities	4,516,597	4,516,597	8,909,206
Employee benefit obligations	(813,934)	(813,934)	1,826,436
Cash generated from operating activities	88,050,913	88,105,590	114,875,371
Income tax paid	(3,602,562)	(3,602,562)	(13,443,956)
Net cash from operating activities	84,448,351	84,503,028	101,431,415

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements	Separate financial statements	
	For the year ended 31 December 2012	For the year ended 31 December 2011	
		<i>(in Baht)</i>	
<i>Cash flows from investing activities</i>			
Interest received	1,877,091	1,692,453	1,103,848
Net cash outflow on acquisition of subsidiaries	-	-10,500,000	-
Purchase of equipment	(74,544,544)	(74,544,544)	(58,869,016)
Sale of equipment	415,888	415,888	296,449
Purchase of intangible assets	(582,000)	(582,000)	(3,965,000)
Net cash used in investing activities	<u>(72,833,565)</u>	<u>(83,518,203)</u>	<u>(61,433,719)</u>
<i>Cash flows from financing activities</i>			
Interest paid	(282,789)	(281,809)	(313,283)
Dividends paid to owners of the Company	(20,829,960)	(20,829,960)	(68,940,500)
Bank overdrafts	-	-	(2,194,919)
Proceeds from exercise of share options exercised	11,428,560	11,428,560	3,926,070
Purchase of treasury shares	(618,308)	(618,308)	(4,535,543)
Net cash used in financing activities	<u>(10,302,497)</u>	<u>(10,301,517)</u>	<u>(72,058,175)</u>
Net increase (decrease) in cash and cash equivalents	1,312,289	(9,316,692)	(32,060,479)
Cash and cash equivalents at 1 January	<u>86,083,908</u>	<u>86,083,908</u>	<u>118,144,387</u>
Cash and cash equivalents at 31 December	<u>87,396,197</u>	<u>76,767,216</u>	<u>86,083,908</u>

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements

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Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 15 February 2013.

1 General information

Nation Broadcasting Corporation Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1858/51-62, 12th, 13th floors, Bangna-Trad Road, Kwang Bangna, Khet Bangna, Bangkok, Thailand.

The Company was listed on the Market for Alternative Investment in November 2009.

The parent company during the financial year was Nation Multimedia Group Public Company Limited (61.10% of shareholding and 61.99% of shareholding in 2012 and 2011, respectively), which is incorporated in Thailand.

The principal activities of the Company are production of TV programs and radio programs and providing advertisements through TV media, radio media and new media forms. Details of the Company’s subsidiaries as at December 2012 and 2011 was as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
<i>Direct subsidiaries</i>				
NBC Nextmedia Co., Ltd.	Advertising media	Thailand	99.99	-
NBC Next Screen Co., Ltd.	Production of TV program and advertisements through TV media	Thailand	99.99	-
NBC Next Vision Co., Ltd.	Production of TV program and advertisements through TV media	Thailand	99.99	-

2 Basis of preparation of the financial statements

As disclosed in note 9, during the year the Company has established new subsidiaries – NBC Nextmedia Co., Ltd, NBC Next Screen Co., Ltd and NBC Next Vision Co., Ltd. Accordingly, Consolidated financial statement are presented for the year ended 31 December 2012 only.

(a) Statement of compliance

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

As at December 2012, the FAP has issued and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 32.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis unless otherwise stated.

(c) *Presentation currency*

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) *Use of estimates and judgements*

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

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

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

Note 15 Measurement of defined benefit obligations

3 **Significant accounting policies**

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

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries

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

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee depending on the level of influence retained.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

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

(c) Cash and cash equivalents

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

(d) Trade and other accounts receivable

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

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

(e) Inventories

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

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

Costs are determined by the following principles:

Finished goods	-	Average cost principle
Work in progress	-	Costs of productions, which are in process of production and film, will be recognised as costs when rights are transferred and delivered or broadcasted.
	-	Work in progress, which is cost of planning and preparation, is stated at cost.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(f) *Investments*

Investments in subsidiaries

Investments in subsidiaries entities in the separate financial statements of the Company are accounted for using the cost method.

(g) *Equipment*

Recognition and measurement

Owned assets

Equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

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

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised net within income or expense in profit or loss.

Subsequent costs

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

Depreciation

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

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

Leased assets improvements	5	years
Operating equipment	3, 5 and 10	years
Furniture, fixtures and office equipment	3 and 5	years
Vehicles	5	years

No depreciation is provided on assets under installation.

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(h) *Intangible assets*

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

Subsequent expenditure

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

Amortisation

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

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

The estimated useful lives for the current and comparative periods are as follows:

Computer program and software licenses	5 years
----------------------------------------	---------

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

(i) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the profit or loss.

Calculation of recoverable amount

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

Reversals of impairment

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(j) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges.

(k) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(l) Employee benefits

Defined contribution plans

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

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

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

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

Short-term employee benefits

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

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

Shares options exercised

The employee share option programme allows certain of the Group's directors and employees to acquire shares of the Group under certain conditions. The proceeds received on exercise of the options, net of any directly attributable transaction costs, are credited to share capital and share premium when the options are exercised.

(m) Provisions

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(n) *Repurchase of share capital (treasury shares)*

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

(o) *Revenue*

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

Sale of goods and services rendered

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

Interest income

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

(p) *Finance costs*

Interest expenses and similar costs are charged to profit or loss in the period in which they are incurred.

(q) *Lease payments*

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

(r) *Income tax*

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

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

(s) *Earnings per share*

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

4 Related parties

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

Relationships with subsidiaries and other related parties are described as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Nation Multimedia Group Public Company Limited	Thailand	Parent, 61.10% shareholding in 2012 and 61.99% shareholding in 2011, some common directors
NBC Nextmedia Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
NBC Next Screen Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
NBC Next Vision Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation International Edutainment Public Company Limited	Thailand	78.46% shareholding by parent, some common directors

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
Kom Chad Luek Media Co., Ltd	Thailand	99.99% shareholding by parent, some common directors
NML Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Nation News Network Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Krungthep Turakij Media Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Nation U Co., Ltd.	Thailand	90% shareholding by parent, some common directors
WPS (Thailand) Co., Ltd.	Thailand	84.50% shareholding by parent, some common directors
Nation Edutainment Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors
N Coupon Co., Ltd.	Thailand	99.98% shareholding by Nation International Edutainment Public Company Limited, some common directors (liquidated and dissolution on 14 December 2012)
Nation Egmont Edutainment Co., Ltd.	Thailand	49.99% shareholding by Nation International Edutainment Public Company Limited, some common directors
Nation University	Thailand	University license holding by Nation U Co., Ltd.
Thai Portal Co., Ltd.	Thailand	Related party, 19% shareholding by Kom Chad Luek Media Co., Ltd.
Nation Properties Co., Ltd.	Thailand	Related party, 19.80% shareholding by parent
Nation Printing Services Co., Ltd.	Thailand	99.99% shareholding by WPS (Thailand) Co., Ltd., some common directors (liquidated and dissolution on 18 October 2012)

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

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

Transactions	Pricing policies
Rendering of services and others	General market price
Cost of services and expenses	Actual cost allocation rate and negotiable rate

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

<i>Year ended 31 December</i>	Consolidated financial Statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Parent			
Revenue from rendering of services	3,402	3402	13,181
Cost of services and expenses	38,836	38,836	40,680
Other related parties			
Revenue from rendering of services	10,271	10,271	4,274
Cost of services and expenses	25,845	25,845	25,483

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

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Parent			
Nation Multimedia Group Public Company Limited	2,343	2,343	1,512
Other related parties			
Nation International Edutainment Public Company Limited	326	326	1,232
Nation News Network Co., Ltd.	321	321	165
Krungthep Turakij Media Co., Ltd.	893	893	1,973
Kom Chad Luek Media Co., Ltd	428	428	335
Nation University	1,508	1,508	-
Total	5,819	5,819	5,217
Bad and doubtful debts expense for the year	-	-	-

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements

<i>Other receivables from related parties</i>	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Parent			
Nation Multimedia Group Public Company Limited	1,037	1,037	36
Subsidiaries			
NBC Nextmedia Co., Ltd.	-	137	-
NBC Next Screen Co., Ltd.	-	5	-
NBC Next Vision Co., Ltd.	-	5	-
Other related parties			
Thai Portal Co., Ltd.	447	447	447
Nation News Network Co., Ltd.	442	442	1
Nation International Edutainment Public Company Limited	2,981	2,981	19
Nation Egmont Edutainment Co., Ltd.	30	30	4
Krungthep Turakij Media Co., Ltd.	7,922	7,922	134
Kom Chad Luek Media Co., Ltd	189	189	12
Nation University	9,000	9,000	-
Others	49	49	49
	<u>22,097</u>	<u>22,244</u>	<u>702</u>
<i>Less allowance for doubtful accounts</i>	(447)	(447)	(447)
Net	<u><u>21,650</u></u>	<u><u>21,797</u></u>	<u><u>255</u></u>
 Bad and doubtful debts expense for the year	 <u>-</u>	 <u>-</u>	 <u>-</u>

<i>Trade accounts payable - related parties</i>	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Parent			
Nation Multimedia Group Public Company Limited	-	-	321
Other related parties			
Nation International Edutainment Public Company Limited	3	3	10
Nation News Network Co., Ltd.	1,972	1,972	1,037
Kom Chad Luek Media Co., Ltd	4,292	4,292	1,388
Krungthep Turakij Media Co., Ltd.	2,804	2,804	2,105
WPS (Thailand) Co., Ltd.	1,291	1,291	1,349
Total	<u><u>10,362</u></u>	<u><u>10,362</u></u>	<u><u>6,210</u></u>

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements

Other payables - related parties

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Parent			
Nation Multimedia Group Public Company Limited	11,611	11,611	10,109
Other related parties			
Nation International Edutainment Public Company Limited	250	250	241
Krungthep Turakij Media Co., Ltd	242	242	13
Kom Chad Luek Media Co., Ltd	109	109	4
NML Co., Ltd.	49	49	15
Nation University	300	300	-
Others	16	16	45
Total	<u>12,577</u>	<u>12,577</u>	<u>10,427</u>

5 Cash and cash equivalents

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Cash on hand	492	492	362
Cash at banks - current accounts	21	-	-
Cash at banks - savings accounts	32,383	31,275	45,722
Highly liquid short-term investments	54,500	45,000	40,000
Total	<u>87,396</u>	<u>76,767</u>	<u>86,084</u>

Cash and cash equivalents of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

6 Trade accounts receivable

		Consolidated financial statements	Separate financial statements	
	<i>Note</i>	2012	2012	2011
		<i>(in thousand Baht)</i>		
Related parties	4	5,819	5,819	5,217
Other parties		199,548	199,548	178,630
Total		<u>205,367</u>	<u>205,367</u>	<u>183,847</u>
<i>Less</i> allowance for doubtful accounts		<i>(6,657)</i>	<i>(6,657)</i>	<i>(5,208)</i>
Net		<u>198,710</u>	<u>198,710</u>	<u>178,639</u>
Bad and doubtful debts expense for the year		<u>2,468</u>	<u>2,468</u>	<u>1,988</u>

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Related parties			
Within credit terms	3,645	3,645	4,095
Overdue:			
Less than 6 months	1,722	1,722	-
6-12 months	233	233	903
Over 12 months	219	219	219
	<u>5,819</u>	<u>5,819</u>	<u>5,217</u>
<i>Less allowance for doubtful accounts</i>	-	-	-
	<u>5,819</u>	<u>5,819</u>	<u>5,217</u>
Other parties			
Within credit terms	83,528	83,528	129,024
Overdue:			
Less than 6 months	84,494	84,494	40,923
6-12 months	13,175	13,175	4,705
Over 12 months	18,351	18,351	3,978
	<u>199,548</u>	<u>199,548</u>	<u>178,630</u>
<i>Less allowance for doubtful accounts</i>	(6,657)	(6,657)	(5,208)
	<u>192,891</u>	<u>192,891</u>	<u>173,422</u>
Net	<u>198,710</u>	<u>198,710</u>	<u>178,639</u>

The normal credit term granted by the Group ranges from 7 days to 90 days.

Trade accounts receivable of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

7 Inventories

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Finished goods	9,306	9,306	9,013
Work in progress	8,644	8,644	2,903
Total	<u>17,950</u>	<u>17,950</u>	<u>11,916</u>

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements

8 Other current assets

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Other receivables	846	846	4,680
Prepaid expenses	7,016	7,016	6,346
Input value added tax pending	4,229	4,229	3,015
Advances to employees	1,898	1,898	1,835
Withholding tax deducted at source	22,479	22,477	-
Others	2,326	2,323	1,845
Total	<u>38,794</u>	<u>38,789</u>	<u>17,721</u>

9 Investments in subsidiaries

	Separate financial statements	
	2012	2011
	<i>(in thousand Baht)</i>	
At 1 January	-	-
Acquisitions	10,500	-
At 31 December	<u>10,500</u>	<u>-</u>

On 14 February 2012, the Board of Directors of the Company approved to establish a company, NBC Nextmedia Co., Ltd, which has a registered share capital of Baht 20 million (divided into 2 million shares at Baht 10 par value) and called-up share capital of 50%. The subsidiary was registered with the Ministry of Commerce on 6 March 2012.

On 26 November 2012, the Board of Directors of the Company approved to establish, NBC Next Screen Co., Ltd and NBC Next Vision Co., Ltd, which have a registered share capital of Baht 1 million and Baht 1 million, respectively (divided into 100,000 shares at Baht 10 par value) and called-up share capital of 25%. The subsidiaries were registered with the Ministry of Commerce on 30 November 2012.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements

Investment in subsidiaries as at 31 December and dividend income from investments for the years ended were as follows:

Separate financial statements

Name of Subsidiaries	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(%)						(in thousand Baht)					
Direct Subsidiaries												
NBC Nextmedia Co., Ltd.	99.99	-	10,000	-	10,000	-	-	-	10,00	-	-	-
NBC Next Screen Co., Ltd.	99.99	-	250	-	250	-	-	-	250	-	-	-
NBC Next Vision Co., Ltd.	99.99	-	250	-	250	-	-	-	250	-	-	-
Total					10,500	-	-	-	10,500	-	-	-

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements

10 Equipment

	Consolidated financial statements					
	Leased assets improvements	Operating equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under installation	Total
<i>Cost</i>						
At 1 January 2012	9,906	249,351	5,134	4,201	629	269,221
Additions	1,600	64,722	572	1,866	5,785	74,545
Transfers	339	3,904	-	-	(4,771)	(528)
Disposals/written-off	(341)	(736)	-	(2,351)	-	(3,428)
At 31 December 2012	11,504	317,241	5,706	3,716	1,643	339,810
<i>Accumulated depreciation</i>						
At 1 January 2012	6,510	147,337	2,977	3,416	-	160,240
Depreciation charge for the year	1,085	34,176	786	310	-	36,357
Disposals/written-off	-	(612)	-	(2,351)	-	(2,963)
At 31 December 2012	7,595	180,901	3,763	1,375	-	193,634
<i>Net book value</i>						
At 1 January 2012	3,396	102,014	2,157	785	629	108,981
At 31 December 2012	3,909	136,340	1,943	2,341	1,643	146,176

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements

	Separate financial statements					
	Leased assets improvements	Operating equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under installation	Total
Cost						
At 1 January 2011	8,411	255,241	4,238	4,704	476	273,070
Additions	727	45,607	1,304	-	11,231	58,869
Transfers	768	10,310	-	-	(11,078)	-
Disposals/written-off	-	(61,807)	(408)	(503)	-	(62,718)
At 31 December 2011 and 1 January 2012	9,906	249,351	5,134	4,201	629	269,221
Additions	1,600	64,722	572	1,866	5,785	74,545
Transfers	339	3,904	-	-	(4,771)	(528)
Disposals/written-off	(341)	(736)	-	(2,351)	-	(3,428)
At 31 December 2012	11,504	317,241	5,706	3,716	1,643	339,810
Accumulated depreciation						
At 1 January 2011	5,826	185,977	2,602	3,436	-	197,841
Depreciation charge for the year	684	22,544	747	377	-	24,352
Disposals/written-off	-	(61,184)	(372)	(397)	-	(61,953)
At 31 December 2011 and 1 January 2012	6,510	147,337	2,977	3,416	-	160,240
Depreciation charge for the year	1,085	34,176	786	310	-	36,357
Disposals/written-off	-	(612)	-	(2,351)	-	(2,963)
At 31 December 2012	7,595	180,901	3,763	1,375	-	193,634
Net book value						
At 1 January 2011	2,585	69,264	1,636	1,268	476	75,229
At 31 December 2011 and 1 January 2012	3,396	102,014	2,157	785	629	108,981
At 31 December 2012	3,909	136,340	1,943	2,341	1,643	146,176

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements

The gross amount of the Group's fully depreciated equipment that was still in use as at 31 December 2012 amounted to Baht 123.2 million (2011: Baht 123.4 million).

11 Intangible assets

	Consolidated financial statements		
	Computer program and software licenses	Computer program under installation	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2012	4,390	-	4,390
Additions	582	-	582
Transfers	322	206	528
At 31 December 2012	5,294	206	5,500
Amortisation			
At 1 January 2012	867	-	867
Amortisation for the year	1,012	-	1,012
At 31 December 2012	1,879	-	1,879
Net book value			
At 1 January 2012	3,523	-	3,523
At 31 December 2012	3,415	206	3,621
	Separate financial statements		
	Computer program and software licenses	Computer program under installation	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2011	425	-	425
Additions	3,965	-	3,965
Transfers	-	-	-
At 31 December 2011 and 1 January 2012	4,390	-	4,390
Additions	582	-	582
Transfers	322	206	528
At 31 December 2012	5,294	206	5,500
Amortisation			
At 1 January 2011	165	-	165
Amortisation for the year	702	-	702
At 31 December 2011 and 1 January 2012	867	-	867
Amortisation for the year	1,012	-	1,012
At 31 December 2012	1,879	-	1,879
Net book value			
At 1 January 2011	260	-	260
At 31 December 2011 and 1 January 2012	3,523	-	3,523
At 31 December 2012	3,415	206	3,621

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the interim financial statements

12 Other non-current assets

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Refundable deposits	7,367	7,367	7,237
Others	1,779	1,779	4,143
Total	9,146	9,146	11,380

13 Trade accounts payable

		Consolidated financial statements	Separate financial statements	
	<i>Note</i>	2012	2012	2011
		<i>(in thousand Baht)</i>		
Related parties	4	10,362	10,362	6,210
Other parties		26,821	26,821	23,860
Total		37,183	37,183	30,070

14 Other current liabilities

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Output value added tax pending	15,831	15,831	13,298
Revenue Department payable	7,677	7,677	3,795
Others	9,199	9,199	11,097
Total	32,707	32,707	28,190

15 Employee benefit obligations

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Statement of financial position obligations for:			
Post-employment benefits	15,965	15,965	14,793
<i>Year ended 31 December</i>			
Statement of comprehensive income: Recognised in profit or loss:			
Post-employment benefits	1,986	1,986	1,826

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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

Movement in the present value of the defined benefit obligations

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Defined benefit obligations at 1 January	14,793	14,793	12,967
Transfer in (out)	186	186	-
Benefits paid by the plan	(1,000)	(1,000)	-
Current service costs and interest	1,986	1,986	1,826
Defined benefit obligations at 31 December	<u>15,965</u>	<u>15,965</u>	<u>14,793</u>

Expense recognised in profit or loss

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Current service costs	1,294	1,294	1,219
Interest on obligation	692	692	607
Total	<u>1,986</u>	<u>1,986</u>	<u>1,826</u>

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

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Cost of sales of goods and rendering of services	944	944	894
Administrative expenses	1,042	1,042	932
Total	<u>1,986</u>	<u>1,986</u>	<u>1,826</u>

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

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(%)</i>		
Discount rate	4.7	4.7	4.7
Future salary increases	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0

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

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16 Share capital

	Par value per share (in Baht)	2012		2011	
		Number (thousand shares)	Baht (thousand Baht)	Number	Baht
Authorised					
At 1 January					
- ordinary shares	1	<u>178,500</u>	<u>178,500</u>	<u>178,500</u>	<u>178,500</u>
At 31 December					
- ordinary shares	1	<u>178,500</u>	<u>178,500</u>	<u>178,500</u>	<u>178,500</u>
Issued and paid-up					
At 1 January					
- ordinary shares	1	173,438	173,438	172,259	172,259
Issue of new shares	1	<u>3,432</u>	<u>3,432</u>	<u>1,179</u>	<u>1,179</u>
At 31 December					
- ordinary shares	1	<u>176,870</u>	<u>176,870</u>	<u>173,438</u>	<u>173,438</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Company ('Treasury shares' (see note 17)) all rights are suspended until those shares are reissued.

Share premium

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

17 Treasury shares

The treasury shares account within equity comprises the cost of the Company's own shares held by the Group.

As at 31 December 2012, the Group held 0.89 million shares of the Company's shares (31 December 2011: 0.79 million shares) comprising 0.51% (31 December 2011: 0.45%) of the Company's issued share capital, at a total cost of Baht 5.15 million (31 December 2011: Baht 4.54 million) as follows:

	2012		2011	
	Number (in thousand shares)	Baht (thousand Baht)	Number	Baht
The Company	<u>892</u>	<u>5,154</u>	<u>787</u>	<u>4,536</u>

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Notes to the interim financial statements

18 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company’s own shares held by the Group/Company. The treasury shares reserve is not available for dividend distribution.

19 Warrants

At the annual general meeting of the shareholders No. 1/2010 held on 26 April 2010, the shareholders passed resolutions to approve the issuance 8,500,000 units of warrants under the Employee Stock Option Program (ESOP) to sell to the Company’s directors, management and/or employees. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	3 years from the issuance date of warrant
Propose to sell to	The Company’s directors, management and/or employees
Issue and sell quantities	8,500,000 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 3.33 per share
Exercise period and proportion	Twice a year on 15 May and 15 November in each year, to exercise not more than 30% in the first year, not more than 30% in the second year and not more than 40% in the third year.

On 15 May 2011, the Company’s directors, management and/or employees exercised the warrants to purchase ordinary shares 123,000 units totalling of Baht 0.4 million which the Company has share premium amounted to Baht 0.3 million. The Company registered the paid-up share capital from such exercise with the Ministry of Commerce on 20 May 2011.

On 15 November 2011, the Company’s directors, management and/or employees exercised the warrants to purchase ordinary shares 1,056,000 units totalling of Baht 3.5 million which the Company has share premium amounted to Baht 2.5 million. The Company registered the paid-up share capital from such exercise with the Ministry of Commerce on 24 November 2011.

On 15 May 2012, the Company’s directors, management and/or employees exercised the warrants to purchase ordinary shares 1,036,900 units totalling of Baht 3.5 million which the Company has share premium amounted to Baht 2.4 million. The Company registered the paid-up share capital from such exercise with the Ministry of Commerce on 24 May 2012.

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On 15 November 2012, the Company's directors, management and/or employees exercised the warrants to purchase ordinary shares 2,395,100 units totalling of Baht 7.98 million which the Company has share premium amounted to Baht 5.58 million. The Company registered the paid-up share capital from such exercise with the Ministry of Commerce on 23 November 2012.

On 31 December 2012, the Company's directors, management and/or employees exercised the warrants to purchase ordinary shares 6,870,000 units (*2011: 3,438,000 units*) totalling of Baht 22.88 million (*2011: Baht 11.45 million*) which the Company has share premium amounted to Baht 16.01 million (*2011: Baht 8.01 million*) and the Company reserved 1,630,000 ordinary shares (*2011: 5,062,000 ordinary shares*) at Baht 1 par value for the outstanding exercisable warrants.

20 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.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

Segment 1	TV advertising media.
Segment 2	Radio advertising media.
Segment 3	New media advertising.

Geographic segments

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

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Business segment results

	TV advertising media		Radio advertising media		New media advertising		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>							
Revenue from sales of goods and rendering of services	551	523	33	31	153	112	737	666
Other income	3	2	-	-	-	-	3	2
Total revenues	554	525	33	31	153	112	740	668
Cost of sales of goods and rendering of services	416	313	23	24	101	64	540	401
Selling expenses	44	69	4	5	12	11	60	85
Administrative expenses	49	43	-	1	5	4	54	48
Unallocated expenses	24	23	-	-	-	-	24	23
Total expenses	533	448	27	30	118	79	678	557
Profit before finance costs and income tax expenses	21	77	6	1	35	33	62	111
Income tax expense	(5)	(17)	(1)	-	(8)	(7)	(14)	(24)
Profit for the year	16	60	5	1	27	26	48	87

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Business segment financial position

	TV advertising media		Radio advertising media		New media advertising		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>							
Assets and liabilities								
Trade accounts receivable	157	151	7	8	35	19	199	178
Accrued income	45	35	2	1	9	4	56	40
Inventories	18	12	-	-	-	-	18	12
Other current assets	36	10	1	-	-	2	37	12
Total current assets	256	208	10	9	44	25	310	242
Equipment	125	101	8	1	13	7	146	109
Intangible assets	-	-	-	-	4	4	4	4
Other non-current assets	7	11	2	-	-	-	9	11
Total non-current assets	132	112	10	1	17	11	159	124
Unallocated assets	-	-	-	-	-	-	112	116
Total assets	388	320	20	10	61	36	581	482
Trade accounts payable	36	22	-	-	1	-	37	22
Accrued expenses	36	31	3	1	28	15	67	47
Other current liabilities	87	48	-	-	-	4	87	52
Unallocated liabilities	-	-	-	-	-	-	30	39
Total liabilities	159	101	3	1	29	19	221	160
Capital expenditure	75	55	-	1	-	3	75	59
Depreciation	35	22	-	-	2	2	37	24
Amortisation	1	-	-	-	-	1	1	1

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21 Other income

	Consolidated financial statements 2012	Separate financial statements 2012 2011	
	<i>(in thousand Baht)</i>		
Interest income	1,877	1,692	1,104
Others	1,460	1,460	717
Total	<u>3,337</u>	<u>3,152</u>	<u>1,821</u>

22 Selling expenses

	Consolidated financial statements 2012	Separate financial statements 2012 2011	
	<i>(in thousand Baht)</i>		
Personnel	19,243	19,243	18,375
Marketing	37,714	37,714	62,802
Office expenses	2,932	2,932	3,383
Others	106	106	112
Total	<u>59,995</u>	<u>59,995</u>	<u>84,672</u>

23 Administrative expenses

	Consolidated financial statements 2012	Separate financial statements 2012 2011	
	<i>(in thousand Baht)</i>		
Personnel	16,874	16,874	13,940
Administrative	32,260	31,917	29,540
Bad and doubtful debts	2,468	2,468	3,689
Others	2,302	2,302	1,366
Total	<u>53,904</u>	<u>53,561</u>	<u>48,535</u>

24 Employee benefit expenses

	Consolidated financial statements 2012	Separate financial statements 2012 2011	
	<i>(in thousand Baht)</i>		
Management			
Wages and salaries	20,924	20,924	20,155
Pension costs to defined contribution plans	1,560	1,560	1,476
Others	1,704	1,704	1,478
	<u>24,188</u>	<u>24,188</u>	<u>23,109</u>

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	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
<i>Other employees</i>			
Wages and salaries	114,889	114,889	99,791
Pension costs to defined contribution plans	5,516	5,516	4,720
Others	43,927	43,927	43,367
	<u>164,332</u>	<u>164,332</u>	<u>147,878</u>
Total employee benefit expense	<u>188,520</u>	<u>188,520</u>	<u>170,987</u>

Defined contribution plans

The defined contribution plans comprise a provident fund established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rate of 5% of their basic salaries and by the Group at rates ranging from 5% to 7.5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

25 Expenses by nature

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

		Consolidated financial statements	Separate financial statements	
	<i>Note</i>	2012	2012	2011
		<i>(in thousand Baht)</i>		
Air time cost		600	600	8,737
Cost of production		336,218	336,218	215,355
Employee benefit expenses	24	188,520	188,520	170,987
Depreciation and amortisation		37,369	37,369	25,054
Travelling expenses		18,874	18,874	20,475
Sharing expenses		17,928	17,928	17,233
Marketing expense	22	37,714	37,714	62,802
Office expenses		32,729	32,729	30,672
Other expenses		7,896	7,553	5,767
Total cost, selling expenses, administrative expenses and management benefit expenses		<u>677,848</u>	<u>677,505</u>	<u>557,082</u>

26 Income tax expense

Royal Decree No. 467 B.E. 2550 grants companies listed on the Stock Exchange of Thailand under the regulation of the Stock Exchange of Thailand governing the approval of listed companies on the Market for Alternative Investment (MAI) and listed within 31 December 2009, a reduction in the corporate income tax rate from 30% to 20% for taxable profit for the three consecutive accounting periods beginning on or after 1 January 2010.

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Notes to the interim financial statements

27 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for own shares held as follows:

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht/ thousand shares)</i>		
Profit attributable to ordinary shareholders of the Company (basic)	48,025	48,184	87,080
Number of ordinary shares outstanding at 1 January	172,651	172,651	172,259
Effect of own shares held	(100)	(100)	(51)
Effect of shares options exercised on 15 May	629	629	74
Effect of shares options exercised on 15 November	255	255	95
Weighted average number of ordinary shares outstanding (basic)	173,435	173,435	172,377
Earnings per share (basic) (in Baht)	0.28	0.28	0.51

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for own shares held for the effects of all dilutive potential ordinary shares and shares-options exercise as follows:

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
Profit attributable to ordinary shareholders of the Company (diluted)	48,025	48,184	87,080
Weighted average number of ordinary shares outstanding (basic)	173,435	173,435	172,377
Effect of exercise of shares options	582	582	2,440
Weighted average number of ordinary shares outstanding (diluted)	174,017	174,017	174,817
Earnings per share (diluted) (in Baht)	0.28	0.28	0.50

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Notes to the interim financial statements

28 Dividends

At the annual general meeting of shareholders of the Company held on 5 April 2011, the shareholders approved the appropriation of dividend of Baht 0.44 per share, amounted to Baht 75.03 million for the 2010 operating result. The dividend of Baht 0.34 per share, amounted to Baht 57.80 million was paid to shareholders as the interim dividend during the year 2010 and the dividend of Baht 0.10 per share, amounted to Baht 17.23 million was paid to shareholders during the year 2011.

At the Board of Directors' meetings of the Company held on 12 May 2011, the Board of Directors approved the appropriation of interim dividend of Baht 0.10 per share, amounted to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

At the Board of Directors' meetings of the Company held on 9 August 2011, the Board of Directors approved the appropriation of interim dividend of Baht 0.10 per share, amounted to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

At the Board of Directors' meetings of the Company held on 9 November 2011, the Board of Directors approved the appropriation of interim dividend of Baht 0.10 per share, amounted to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

At the annual general meeting of shareholders of the Company held on 25 April 2012, the shareholders approved the appropriation of dividend of Baht 0.30 per share, amounted to Baht 51.72 million. The dividend was paid to shareholders during the year 2011.

At the Board of Directors' meetings of the Company held on 10 May 2012, the Board of Directors approved the appropriation of interim dividend of Baht 0.06 per share, amounted to Baht 10.41 million. The dividend was paid to shareholders during the year 2012.

At the Board of Directors' meetings of the Company held on 9 August 2012, the Board of Directors approved the appropriation of interim dividend of Baht 0.06 per share, amounted to Baht 10.42 million. The dividend was paid to shareholders during the year 2012.

29 Financial instruments

Financial risk management policies

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

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

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Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interest and also monitors the level of dividends to ordinary shareholders.

Credit risk

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

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

Liquidity risk

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

Determination of fair values

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

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of financial assets and liabilities is taken to approximate the carrying value.

30 Commitments with non-related parties

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
	<i>(in thousand Baht)</i>		
<i>Non-cancellable operating lease commitments</i>			
Within one year	43,251	43,251	39,001
After one year but within five years	133,202	133,202	142,997
After five years	46,987	46,987	72,789
Total	<u>223,440</u>	<u>223,440</u>	<u>254,787</u>
<i>Other commitment</i>			
Bank guarantees	<u>8,009</u>	<u>8,009</u>	<u>7,521</u>

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- a) The Company has entered into a lease and service agreements for its office premises and facilities with a local company for the period of 2 years, commencing from 30 April 2009 to 30 November 2014 with an option to be renewable.
- b) The Company has entered into news supply agreement with a foreign company for a period of 5 years, commencing from 1 June 2011 to 31 May 2016 with an option to be renewable.
- c) The Company has entered into service agreements covering television broadcasting satellite service with a local company. The details are as follows:

<u>Contract date</u>	<u>Contract period</u>	<u>Periods</u>	<u>Total fee</u>
1 October 2009 (Amendment on 11 May 2010)	1 November 2009 to 31 October 2019	10 years	USD 4.40 million
4 February 2010 (Amendment on 11 May 2010)	15 February 2010 to 31 March 2020	10 years	USD 3.20 million
12 September 2011	1 October 2011 to 30 September 2016	5 years	USD 1.20 million

31 Events after the reporting period

At the Board of Directors' meeting of the company held on 15 February 2013, the Board of Directors' passed the following resolutions:

- a) Approved the appropriation of interim dividend to shareholders of Baht 0.06 per share, amounting to Baht 10.56 million.
- b) Approved the increase in authorised share capital of 353,740,000 ordinary shares at Baht 1 par value to offer to the existing shareholders at the ratio of 1 new share for 2 exiting shares held with the price of Baht 3.00.
- c) Approved the increase in authorised share capital of 176,870,000 ordinary shares at Baht 1 par value to reserve for the exercise of warrants issued and offer to existing shareholders as the allotment as described in b) with the proportion ratio of 1 warrant to 1 existing shares held with no value.
- d) Approved the increase in authorised share capital of 8,798,905 ordinary shares at Baht 1 par value to reserve for the exercise warrants issued under the Employee Stock Option Program (ESOP) to sell to the directors, management and/or employees of the Company and/or the subsidiaries.
- e) Approved the increase in authorised share capital of 2,435,057 ordinary shares to reserve for the exercise warrants issued under the 1st Employee Stock Option Program (ESOP), consequently from the exercised price adjustment.

Such interim dividends and increase in authorised share capital are subjected to final approval in the shareholders' meeting.

32 Thai Financial Reporting Standards (TFRS) not yet adopted

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

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TFRS	Topic	Year effective
TAS 12	Income Taxes	2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TFRS 8	Operating Segments	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

TAS 12 – Income taxes

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. Currently, the Group does not recognise deferred tax in the financial statements.

The Group will adopt TAS 12 with effect from 1 January 2013. The effects of the change will be recognised retrospectively in the financial statements and the statement of financial position as at 31 December 2012 and 2011 will be adjusted accordingly. Management estimates that the impact on the statements of financial position as at 31 December 2012 and 2011 will be as follows:

	Consolidated financial statements	Separate financial statements	
	2012	2012	2011
		<i>(in thousand Baht)</i>	
<i>Statement of financial position</i>			
Estimated changes as a result of the adoption retrospectively of TAS 12-Income Taxes:			
Increase in deferred tax assets	4,864	4,864	4,340
Increase in retained earning	4,864	4,864	4,340

The impact on the statements of comprehensive income for 2013 and subsequent periods is not presently determinable.

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Group is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Group's reported assets, liabilities or retained earnings.

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TFRS 8 – Operating segments

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group's chief operating decision maker. Since the change in accounting policy only impacts disclosure aspects, there is no impact on the Group's financial statements.