

SMITH & NEPHEW PLC
Form 6-K
May 27, 2015

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of
1934

May 22, 2015

Commission File Number 001-14978

SMITH & NEPHEW plc
(Registrant's name)

15 Adam Street
London, England WC2N 6LA
(Address of registrant's principal executive offices)

[Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.]

Form 20-F <input checked="" type="checkbox"/>	Form 40-F <input type="checkbox"/>
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[Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).]

Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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[Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).]

Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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[Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing information to the Commission pursuant to Rule 12g3-2 (b) under the Securities Exchange Act of 1934.]

Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2 (b) : 82- n/a.

22 May 2015

Smith & Nephew plc (the "Company")

Transaction in Own Shares

The Company has today cancelled 1,830,000 of its Ordinary Shares of US 20¢ each ("Shares") previously held in Treasury. These shares were issued in connection with employee share schemes in Quarter 1 2015 and have been purchased as part of a programme to keep the total issued share capital broadly constant.

Following the cancellation of these Shares the Company holds 21,422,723 of its shares in Treasury. The Company's issued share capital, with one voting right per share consists of 894,319,225 Ordinary Shares of US20¢ each. This is the figure which should be used by shareholders as the denominator when determining whether they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

This announcement is made in accordance with the requirements of LR 12.6.4.

Vickie Grady
Deputy Company Secretary
Smith & Nephew plc
Tel: 020 7401 7646

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Smith & Nephew Plc
(Registrant)

Date: May 22, 2015

By: /s/ Susan Swabey

Susan Swabey
Company Secretary

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63,378

76,469

Cost

666,768

415,899

107,416

	109,172
	1,299,255
	14,135
	89,255
	103,390
Accumulated amortization	(150,004)
	(34,419)
	(40,062)
	(224,485)
	(1,044)
	(25,877)

	(26,921)
Adjustment for accumulated recoverable value	
	(109,330)
	(109,330)
Balance at December 31, 2013	
	407,434
	381,480
	67,354
	109,172
	965,440
	13,091
	63,378

	76,469
Effect of foreign exchange differences	
	(15,437)
	(29)
	(4,435)
	(19,901)
Acquisitions and expenditures	
	610
	610
	6

Transfer of property, plant and equipment

17,608

69,695

87,303

16,928

68,773

85,701

Amortization

(24,830)

(7,155)

	(31,985)
	(6,302)
	(6,302)
Other transactions	
	114
	114
	114
	114
Balance at September 30, 2014	407,434

341,213

78,502

69,695

104,737

1,001,581

13,091

74,118

68,773

155,982

Cost

666,768

398,999

147,615

69,695

	104,737
	1,387,814
	14,135
	106,300
	68,773
	189,208
Accumulated amortization	(150,004)
	(57,786)
	(69,113)
	(276,903)
	(1,044)

	(32,182)
	(33,226)
Adjustment for accumulated recoverable value	(109,330)
	(109,330)
Balance at September 30, 2014	407,434
	341,213
	78,502
	69,695
	104,737
	1,001,581
	13,091

74,118

68,773

155,982

(* Refers to investments in the acquisition of the right to expand the Casa de Pedra mine to 40Mpta.

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10. BORROWINGS, FINANCING AND DEBENTURES

The information related to borrowings, financing and debentures did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013.

The balances of borrowings, financing and debentures, which are carried at amortized cost, are as follows:

	Rates p.a. (%)	Current liabilities		Consolidated Non-current liabilities		Current liabilities	
		9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013
FOREIGN CURRENCY							
Prepayment	1% to 3.50%	55,587	105,874	1,933,009	1,166,615	52,711	
Prepayment	3.51% to 7.50%	268,551	207,331	1,580,895	1,276,717	139,039	
Perpetual bonds	7.00%	3,336	3,189	2,451,000	2,342,600		
Fixed rate notes	4.14 to 10%	1,039,521	156,868	4,719,437	5,505,110	1,129,411	
BNDES/FINAME			12,356				
Intercompany	6M Libor + 2.25 and 3%					62,801	
Other	1.2% up to 8%	136,574	49,306	371,448	442,843	49,484	
		1,503,569	534,924	11,055,789	10,733,885	1,433,446	
LOCAL CURRENCY							
BNDES/FINAME	TJLP + 1.5% to 3.2% and 2.5% to 10% fixed rate	80,584	97,044	969,406	962,684	41,856	
Debentures	105.8% to 111.20% CDI	811,199	846,387	1,550,000	1,932,500	811,199	
Prepayment	106.5% to 110.79% CDI and 8% fixed rate	179,998	101,330	5,345,000	5,345,000	94,444	
CCB	112.5% CDI	1,099,393	1,085,436	6,200,218	6,200,000	1,099,393	
Intercompany	110.79% CDI					130,288	
Other		7,656	8,527	13,990	15,505	2,178	
		2,178,830	2,138,724	14,078,614	14,455,689	2,179,358	
Total borrowings and financing		3,682,399	2,673,648	25,134,403	25,189,574	3,612,804	
Transaction costs and issue premiums		(24,680)	(30,841)	(73,291)	(85,951)	(19,166)	
Total borrowings and financing + transaction costs		3,657,719	2,642,807	25,061,112	25,103,623	3,593,638	

The balances of prepaid related parties borrowings total R\$4,641,837 as of September 30, 2014 (R\$2,943,964 as of December 31, 2013) and the balances of Fixed Rate Notes and related parties Bonds total R\$2,600,011 (R\$2,452,956 as of December 31, 2013), see note 17.

- **Maturities of borrowings, financing and debentures presented in non-current liabilities**

As of September 30, 2014, the inflation-adjusted principal of long-term borrowings, financing and debentures by maturity year is as follows:

		Consolidated		Parent Company
2015	1,317,537	5%	1,362,970	6%
2016	2,549,840	10%	3,856,694	16%
2017	3,857,024	15%	3,670,987	15%
2018	4,214,239	17%	3,872,641	16%
2019	5,336,259	21%	3,954,622	16%
After 2019	5,408,504	22%	7,431,842	31%
Perpetual bonds	2,451,000	10%		
	25,134,403	100%	24,149,756	100%

- **Amortizations and new borrowings, financing and debentures**

The table below shows the amortizations and new funding in the current period:

		Consolidated		Parent Company	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	
Opening balance	27,746,430	29,304,704	25,249,354	24,139,992	
Funding	1,630,664	1,697,363	2,892,640	1,363,253	
Amortization	(3,278,616)	(4,300,240)	(2,985,970)	(3,991,884)	
Loss of control over Transnordestina		(3,180,821)			
Other (*)	2,620,353	4,225,424	2,524,550	3,737,993	
Closing balance	28,718,831	27,746,430	27,680,574	25,249,354	

(*) Includes unrealized foreign exchange and monetary variations.

Borrowing and financing contracts with certain financial institutions contain some covenants that are usual in financial agreements in general and the Company is compliant with them as of September 30, 2014.

- **Debentures**

7th issue

In March 2014 the Company issued 40,000 nonconvertible, unsecured debentures, in single series, with a unit face value of R\$10 totaling R\$400,000 that pay interest equivalent to 111.20% of the CDI Cetip rate per year, maturing in March 2021, with early redemption option.

- **Guarantees provided**

Guarantees provided for the borrowings comprise property, plant and equipment items and sureties and do not include guarantees provided for subsidiaries and jointly controlled entities. As of September 30, 2014, the amount is R\$3,266 (R\$4,234 as of December 31, 2013).

11. FINANCIAL INSTRUMENTS

The information related to financial instruments did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of September 30, 2014.

I - Identification and measurement of financial instruments

The Company enters into transactions involving various financial instruments, mainly cash and cash equivalents, including short-term investments, marketable securities, trade receivables, trade payables, and borrowings and financing. Additionally, it also carries out transactions involving derivative financial instruments, especially exchange and interest rate *swaps*.

- **Classification of financial instruments**

Consolidated	Notes	Available for sale	Fair value through profit or loss	Loans and receivables - effective interest rate	Other liabilities - amortized cost method	9/30/2014	
						Balances	Available for sale
Assets							
Current assets							
Cash and cash equivalents	3			8,971,362		8,971,362	
Trade receivables, net	4			1,406,309		1,406,309	
Derivative financial instruments	6		147,075			147,075	
Trading securities	6		20,390			20,390	
Total			167,465	10,377,671		10,545,136	
Non-current assets							
Other trade receivables	6			893		893	
Investments		1,171,667				1,171,667	2,405,174

Derivative financial instruments	6					
Short-term investments				32,539	32,539	
Total		1,171,667		33,432	1,205,099	2,405,174
Total assets		1,171,667	167,465	10,411,103	11,750,235	2,405,174
Liabilities						
Current liabilities						
Borrowings and financing	10			3,682,399	3,682,399	
Derivative financial instruments	12		17,088		17,088	
Trade payables				1,469,748	1,469,748	
Total			17,088	5,152,147	5,169,235	
Non-current liabilities						
Borrowings and financing	10			25,134,403	25,134,403	
Derivative financial instruments	12		17,827		17,827	
Total			17,827	25,134,403	25,152,230	
Total liabilities			34,915	30,286,550	30,321,465	

- Fair value measurement**

The following table shows the financial instruments recognized at fair value through profit or loss using a valuation method:

Consolidated	9/30/2014			12/31/2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Current assets						
Financial assets at fair value through profit or loss						
Derivative financial instruments		147,075	147,075		9,681	9,681
Trading securities	20,390		20,390	9,906		9,906
Non-current assets						
Available-for-sale financial assets						
Investments	1,171,667		1,171,667	2,405,174		2,405,174
Financial assets at fair value through profit or loss						
Derivative financial instruments					3,879	3,879
Total assets	1,192,057	147,075	1,339,132	2,415,080	13,560	2,428,640
Liabilities						
Current liabilities						
Financial liabilities at fair value through profit or loss						
Derivative financial instruments		17,088	17,088		6,822	6,822
Non-current liabilities						
Financial liabilities at fair value through profit or loss						
Derivative financial instruments		17,827	17,827		17,375	17,375
Total liabilities		34,915	34,915		24,197	24,197

II – Investments in financial instruments classified as available for sale and measured at fair value through OCI

These consist mainly of investments in shares acquired in Brazil involving top ranked companies, which are recognized in non-current assets, and any gains or losses are recognized in shareholders' equity, where they will remain until actual realization of the securities or when any loss is considered unrecoverable.

Impairment of financial assets classified as available for sale

The Company has investments in common (USIM3) and preferred (USIM5) shares (“Usiminas Shares”), designated as available-for-sale financial assets as they do not meet the criteria to be classified within any of the other categories of financial instruments (loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss). The asset is classified as a non-current asset under line item “investments” and is carried at fair value based on the quoted price on the stock exchange (BM&FBOVESPA).

Considering the volatility of the quotations of Usiminas shares, the Company evaluated whether, at the end of the reporting period, there was objective evidence of impairment of these financial assets, i.e., the Company’s management evaluated if the decline in the market value of Usiminas shares should be considered either significant or prolonged. In turn, this valuation requires judgment based on CSN’s policy, prepared according to practices used in the domestic and international markets, and consists of an instrument by instrument analysis based on quantitative and qualitative information available in the market, from the time an instrument shows a drop of 20% or more in its market value or from the time there is a significant drop in its market value as compared to its acquisition price during more than twelve months.

On June 30, 2014 and 2013, there was a decline in the quotation of the common shares (USIM3) which, according to the Company’s accounting policy, generated a loss of R\$34,396 and R\$3,302, net of income tax and social contribution, and R\$52,115 and R\$5,002 were recorded in other operating expenses and R\$17,719 and R\$1,701 in deferred taxes, respectively.

On September 30, 2014, after a new decline in the quotation of the common shares (USIM3) in relation to the quotation of June 30, 2014, the Company reclassified the accumulated losses for the quarter recognized in other comprehensive income, in the amount of R\$13,193, net of income tax and social contribution, to profit or loss for the period, in the amount of R\$19,989 in other operating expenses and R\$6,796 in deferred taxes, totaling in 2014 R\$72,104 in other operating expenses and R\$24,515 in deferred taxes.

Beginning this date, pursuant to a Company's policy, gains and losses arising from the variation of the quotation of shares were recognized in other comprehensive income.

On April 9, 2014, the Administrative Council for Economic Defense (CADE - Conselho Administrativo de Defesa Econômica) issued its decision on the matter and a commitment agreement (Performance Commitment Agreement), or TCD, was signed between CADE and CSN. Under the terms of the decision of CADE and TCD, CSN must reduce its interest in Usiminas within a specified term. The term and percentage of reduction are confidential. Moreover, the political rights at Usiminas will continue suspended until the Company reaches the limits established in the TCD.

The Company's interest in Usiminas has not changed as compared with the percentage disclosed in the financial statements as of December 31, 2013.

The Company will continue to evaluate strategic alternatives with respect to its investment in Usiminas.

III – Fair values of assets and liabilities as compared to their carrying amounts

The estimated fair values of consolidated long-term borrowings and financing were calculated at prevailing market rates, taking into consideration the nature, terms and risks similar to those of the recorded contracts, as compared below:

		9/30/2014		12/31/2013	
	Carrying amount	Fair value	Carrying amount	Fair value	
Perpetual bonds	2,454,336	2,225,003	2,345,789	1,938,780	
Fixed Rate Notes	5,758,958	6,024,515	5,661,978	6,032,207	

IV Financial risk management policy

As of September 30, 2014, there were no changes in the financial risk management policies in relation to those disclosed in the Company's financial statements for the year ended December 31, 2013.

- **Foreign exchange exposure**

The consolidated net exposure as of September 30, 2014 is as follows:

Foreign Exchange Exposure	(Amounts in US\$'000)	9/30/2014 (Amounts in €'000)
Cash and cash equivalents overseas	3,358,639	2,466
Trade receivables - foreign market	184,734	9,135
Related parties borrowings	154,549	79,778
Other assets	128	9,154
Total assets	3,698,050	100,533
Borrowings and financing	(4,928,517)	(119,968)
Trade payables	(216,184)	(5,931)
Other liabilities	(15,578)	(23,700)
Related parties borrowings	(34,537)	
Total liabilities	(5,194,816)	(149,599)
Gross exposure	(1,496,766)	(49,066)
Notional amount of derivatives contracted (*)	1,508,000	(90,000)
Net exposure	11,234	(139,066)

- Exchange swap transactions

Counterparties	Transaction maturity	Functional currency	Notional amount	Appreciation (R\$)		9/30/2014	Notional amount	Appreciation	
				Asset position	Liability position	Fair value (market)		Asset position	Liability position
						Amounts receivable/ (payable)			
<i>Santander</i>	02/01/15	US dollar	10,000	27,911	(24,405)	3,506	10,000	26,512	
<i>Deutsche</i>	11/10/14	US dollar	20,000	49,389	(50,812)	(1,423)			
<i>Goldman Sachs</i>		US dollar					10,000	23,697	
<i>HSBC</i>		US dollar					90,000	213,306	(
Total dollar-to-CDI swap			30,000	77,300	(75,217)	2,083	110,000	263,515	(
<i>Itaú BBA</i>	10/1/2014 to 1/6/2015	US dollar	518,000	1,264,679	(1,213,179)	51,500	85,000	199,753	(
<i>Itaú BBA</i>	2/12/2014 to 1/30/2015	US dollar	80,000	195,127	(198,119)	(2,992)			
<i>HSBC</i>	10/1/2014 to 1/6/2015	US dollar	490,000	1,196,224	(1,143,365)	52,859	208,000	488,843	(
<i>HSBC</i>	12/2/2014 to 1/30/2015	US dollar	160,000	390,010	(400,689)	(10,679)			
<i>Deutsche Bank</i>	10/1/2014 to 12/4/2014	US dollar	130,000	317,746	(304,775)	12,971			
<i>Deutsche Bank</i>	1/30/2015	US dollar	20,000	48,692	(50,436)	(1,744)			
<i>Goldman Sachs</i>	01/08/15	US dollar	30,000	73,100	(68,842)	4,258			
<i>BTG Pactual</i>	12/02/14	US dollar	50,000	122,030	(122,280)	(250)			
Total dollar-to-real swap (NDF)			1,478,000	3,607,608	(3,501,685)	105,923	293,000	688,596	(
<i>Itaú BBA</i>	11/21/2014	Euro	30,000	97,703	(92,868)	4,835	30,000	94,858	
<i>HSBC</i>	11/21/2014	Euro	60,000	195,413	(185,736)	9,677	30,000	94,900	
<i>Goldman Sachs</i>		Euro					30,000	94,880	
			90,000	293,116	(278,604)	14,512	90,000	284,638	(

**Total dollar-to-euro swap
(NDF)**

<i>BES</i>	11/17/14 to 1/30/15	US dollar	37,544	92,357	(87,278)	5,079	11,801	27,878
<i>BNPP</i>	10/7/2014	US dollar	12,536	30,839	(28,449)	2,390		
Total dollar-to-euro swap			50,080	123,196	(115,727)	7,469	11,801	27,878

<i>CSFB</i>							21,500	36,526
Total LIBOR-to-CDI interest rate swap							21,500	36,526

<i>Itaú BBA</i>	03/01/16	Real	150,000	165,245	(172,503)	(7,258)	150,000	152,610
<i>HSBC</i>	2/5/16 to 3/1/16	Real	185,000	202,827	(212,891)	(10,064)	185,000	187,395
<i>Deutsche Bank</i>	03/01/16	Real	10,000	10,952	(11,457)	(505)	10,000	10,114
Total fixed rate-to-CDI interest rate swap			345,000	379,024	(396,851)	(17,827)	345,000	350,119

4,480,244 (4,368,084) 112,160 1,651,272 (1,000,000)

- Classification of the derivatives in the balance sheet and statement of income**

Instruments	Assets			Liabilities			9/30/2014 Finance income (costs), net (Note 23)
	Current	Non-current	Total	Current	Non-current	Total	
<i>Dollar-to-CDI swap</i>	3,506		3,506	1,423		1,423	(16,607)
<i>Dollar-to-real swap (NDF)</i>	121,588		121,588	15,665		15,665	34,602
<i>Dollar-to-euro swap (NDF)</i>	14,512		14,512				23,570
<i>Dollar-to-real swap</i>	7,469		7,469				7,225
<i>Libor-to-CDI swap(*)</i>							(943)
<i>Fixed rate-to-CDI swap</i>					17,827	17,827	(452)
	147,075		147,075	17,088	17,827	34,915	47,395

Instruments	Assets			Liabilities			12/31/2013	9/30/2013
	Current	Non-current	Total	Current	Non-current	Total	Finance income (costs), net (Note 23)	
<i>Dollar-to-CDI swap</i>	9,033	3,879	12,912				232	
<i>Dollar-to-real swap (NDF)</i>	631		631	1,228		1,228		
<i>Dollar-to-euro swap (NDF)</i>				5,258		5,258	(5,031)	
<i>Yen-to-dollar swap (**)</i>							(58)	
<i>Dollar-to-euro swap</i>	17		17				3,851	
<i>Libor-to-CDI swap</i>				336		336	(3,385)	
<i>Fixed rate-to-CDI swap</i>					17,375	17,375	(15,308)	
	9,681	3,879	13,560	6,822	17,375	24,197	(19,699)	

(*) The positions of the swap transactions were settled in May 2014, together with their prepayment.

(**) The positions of the swap transactions were settled in December 2013, together with their guarantee deposit.

- Sensitivity analysis of exchange rate swaps**

The Company considered scenarios 1 and 2 as 25% and 50% of appreciation for volatility of the currency, using as reference the closing exchange rate as of September 30, 2014 for dollar-to-real exchange swap R\$2.4510, and for dollar-to-euro exchange swap R\$1.2629.

Instruments	Notional amount	Risk	Probable scenario (*)	9/30/2014	
				Scenario 1	Scenario 2
Dollar-to-CDI exchange swap	30,000	Dólar	2,083	(19,325)	(38,650)
Dollar-to-real exchange swap (NDF)	1,478,000	Dólar	105,923	(785,527)	(1,571,053)
Dollar-to-euro exchange swap (NDF)	(90,000)	Euro	14,512	69,678	138,731
Dollar-to-euro exchange swap (NDF)	50,080	Dólar	7,469	40,708	122,125

(*) The sensitivity analysis is based on the assumption of maintaining, as a probable scenario, the market values as of September 30, 2014 recognized in the company's assets and liabilities.

- **Sensitivity analysis of interest rate swaps**

The Company considered scenarios 1, 2, 3 and 4 as 25% and 50% of appreciation and devaluation for volatility of the interest as of September 30, 2014.

Instruments	Notional amount	Risk	9/30/2014			
			Scenario 1	Scenario 2	Scenario 3	Scenario 4
Fixed rate-to-CDI interest rate swap	345,000	CDI	(15,128)	(30,400)	14,981	29,812

- **Sensitivity analysis of changes in interest rates**

The Company considers the effects of a 5% increase or decrease in interest rates on its outstanding borrowings, financing and debentures as of September 30, 2014 in the condensed interim financial statements.

Changes in interest rates	% p.a	Impact on profit or loss	
		9/30/2014	12/31/2013
TJLP	5.00	2,479	2,521
Libor	0.33	7,594	5,725
CDI	10.81	76,823	71,507

- **Share market price risks**

The Company is exposed to the risk of changes in equity prices due to the investments made and classified as available-for-sale. Equity investments refer to blue chips traded on BM&F BOVESPA.

The following table shows the impact of the net changes in the market value of financial instruments classified as available-for-sale on shareholders' equity, in other comprehensive income (note 30).

	9/30/2014	Other comprehensive income 12/31/2013	Consolidated
			Net change
Net change in available-for-sale financial assets	8,030	779,526	(771,496)

The Company considers as probable scenario the amounts recognized at market prices as of September 30, 2014, net of tax. Sensitivity analysis is based on the assumption of maintaining as probable scenario the market values as of September 30, 2014. Therefore, there is no impact on the financial instruments classified as available for sale already presented above. The Company considered scenarios 1 and 2 as 25% and 50% of appreciation for volatility of the shares.

Companies	Probable	Impact on equity	
		Scenario 1	Scenario 2
Usiminas	3,953	187,814	375,628
Panatlântica	4,077	3,504	7,007
	8,030	191,318	382,635

Pursuant to the Company's accounting policies, the negative variations in Usiminas investment, when considered significant (impairment), are recognized in profit or loss for the period.

- **Liquidity risk**

	Consolidated				
	Less than one year	From one to two years	From two to five years	Over five years	Total
At September 30, 2014					
Borrowings, financing and debentures	3,682,399	3,867,377	13,407,522	7,859,504	28,816,802
Derivative financial instruments	17,088	17,827			34,915
Trade payables	1,469,748				1,469,748
At December 31, 2013					
Borrowings, financing and debentures	2,673,648	6,391,523	11,439,993	7,358,058	27,863,222
Derivative financial instruments	6,822	17,375			24,197
Trade payables	1,102,037				1,102,037

12. OTHER PAYABLES

The group of other payables classified in current and non-current liabilities is comprised as follows:

	Consolidated				Parent Company	
	Current		Non-current		Current	Non-current
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Payables to related parties (Note 17 b)	450,120	22,150	8,911,410	8,522,685	494,307	35,890
Derivative financial instruments (Note 11 I)	17,088	6,822	17,827	17,375	336	
Dividends and interest on capital payable non-controlling shareholders	2,099	2,036			2,099	2,036
	22,942	28,213			17,504	17,501

Advances from customers							
Taxes in installments (Note 14)	259,802	247,387	1,455,931	1,454,838	226,792	218,667	279,711
Profit sharing - employees	104,129	21,631			87,668	13,039	
Other payables	117,870	44,612	49,995	66,673	22,761	151,497	6,109
	974,069	72,851	10,435,163	10,061,571	851,132	38,957	65,066
							10,173,732

13. INCOME TAX AND SOCIAL CONTRIBUTION

The information related to income tax and social contribution did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of September 30, 2014.

(a) Income tax and social contribution recognized in profit or loss:

The income tax and social contribution recognized in profit or loss for the period are as follows:

	Consolidated			
	Nine-month period ended		Three-month period ended	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Income tax and social contribution (expenses) income				
Current	(407,606)	(287,136)	(187,241)	(123,290)
Deferred	332,332	527,544	154,443	59,844
	(75,274)	240,408	(32,798)	(63,446)
	Parent Company			
	Nine-month period ended		Three-month period ended	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Income (expenses) tax and social contribution income				
Current	(30,470)		(30,470)	
Deferred	306,781	525,127	144,757	65,251
	276,311	525,127	114,287	65,251

The reconciliation of Company and consolidated income tax and social contribution expenses and income and the result from applying the effective rate on profit before income tax (IRPJ) and social contribution (CSLL) are as follows:

	Consolidated			
	Nine-month period ended		Three-month period ended	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Profit before income tax and social contribution	(103,985)	780,682	(217,590)	566,330
Tax rate	34%	34%	34%	34%
Income tax and social contribution at combined statutory rate	35,355	(265,432)	73,981	(192,554)
Adjustment to reflect effective rate:				
Interest on capital benefit		255,009		64,600
Share of profits of investees	28,794	172,631	67,178	70,870
Income subject to special tax rates or untaxed	(75,555)	125,121	(145,882)	(195,000)
Transfer pricing adjustment	(21,164)		(9,655)	
Tax loss carryforwards without recognizing deferred taxes	(24,822)	(33,504)	(3,541)	(26,137)

Other permanent deductions (add-backs)	(17,882)	(13,417)	(14,879)	19,953
Income tax and social contribution in profit for the period	(75,274)	240,408	(32,798)	(63,446)
Effective tax rate	-72%	-31%	-15%	11%

	Nine-month period ended		Parent Company Three-month period ended
	9/30/2014	9/30/2013	9/30/2013
Loss (profit) before income tax and social contribution	(449,367)	496,350	(392) 434,431
Tax rate	34%	34%	34%
Income tax and social contribution at combined statutory rate	152,785	(168,759)	893 (147,707)
Adjustment to reflect effective rate:			
Interest on capital benefit		255,009	64,609
Share of profits of investees	160,142	455,434	1,133 135,003