RAMA IX ART MUSEUM FOUNDATION

Financial Statements

Year ended December 31, 2008

Deloitte.

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CELEBRATING SEVENTY YEARS 70 OF DELOITTE IN THAILAND

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS
RAMA IX ART MUSEUM FOUNDATION

We have audited the balance sheets of Rama IX Art Museum Foundation as at December 31, 2008 and 2007 and the related statements of income and expenditure and changes in funds' equity for the years then ended. These financial statements are the responsibility of the Foundation's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Rama IX Art Museum Foundation as at December 31, 2008 and 2007 and the income and expenditure and changes in funds' equity for the years then ended in conformity with generally accepted accounting principles.

T.G. Krishnamra

Thaveekiarti Krishanmra
Certified Public Accountant (Thailand)
Registration No. 104
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
March 27, 2009

RAMA IX ART MUSEUM FOUNDATION

BALANCE SHEETS

AS AT DECEMBER 31, 2008 AND 2007

		BAHT
	2008	**2007**
ASSETS		
CURRENT ASSETS		
Cash and deposits at financial institutions	289,402	382,539
Current investment (Notes 4.2 and 5)	17,329,761	21,159,376
Supplies (Notes 4.3 and 6)	563,002	568,702
Other current assets	171,877	85,431
Total Current Assets	18,354,042	22,196,048
NON-CURRENT ASSETS		
Building and equipment - net (Notes 4.4 and 7)	674,750	750,948
Software - net (Notes 4.4 and 8)	33,493	45,307
Art collection (Note 4.5)	18,808,153	18,155,153
Total Non-Current Assets	19,516,396	18,951,408
TOTAL ASSETS	37,870,438	41,147,456
LIABILITIES AND FUND'S EQUITY		
CURRENT LIABILITIES		
Accrued expenses	92,041	120,284
Foundation income tax payable	25,458	-
Total Current Liabilities	117,499	120,284
TOTAL LIABILITIES	117,499	120,284
FUND'S EQUITY		
Initial capital fund from donation	200,000	200,000
Additional funds from donation	1,027,600	1,027,600
Accumulated excess of income over expenditure	36,525,339	39,799,572
Total Fund's Equity	37,752,939	41,027,172
TOTAL LIABILITIES AND FUND'S EQUITY	37,870,438	41,147,456

Notes to the financial statements form an integral part of these statements

RAMA IX ART MUSEUM FOUNDATION

STATEMENTS OF INCOME AND EXPENDITURE

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	BAHT	
	2008	**2007**
INCOME		
Donation income	195,539	5,552,959
Donated artworks	653,000	1,048,000
Interest received	2,609	8,548
Investment income	1,094,346	669,461
Total Income	1,945,494	7,278,968
EXPENDITURE		
Personnel expenses	3,103,736	2,411,339
Rental fee	498,181	402,144
Professional fees	70,000	60,000
Depreciation and amortization	287,758	256,229
Miscellaneous expenses	430,356	886,107
60 years anniversary project expenses	720,000	1,339,085
Foundation income tax	109,696	67,801
Total Expenditure	5,219,727	5,422,705
EXCESS INCOME (DEFICIT) OVER EXPENDITURE	(3,274,233)	1,856,263

Notes to the financial statements form an integral part of these statements

RAMA IX ART MUSEUM FOUNDATION

STATEMENTS OF CHANGES IN FUNDS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

BAHT

	Capital Fund From Donation		Accumulated excess of income over expenditure	Total Fund's equity
	Initial capital Fund	Additional Fund		
BEGINNING BALANCE, JANUARY 1, 2007	200,000	1,027,600	37,943,309	39,170,909
Excess income over expenditure	-	-	1,856,263	1,856,263
ENDING BALANCE, DECEMBER 31, 2007	200,000	1,027,600	39,799,572	41,027,172
BEGINNING BALANCE, JANUARY 1, 2008	200,000	1,027,600	39,799,572	41,027,172
Excess (Deficit) income over expenditure	-	-	(3,274,233)	(3,274,233)
ENDING BALANCE, DECEMBER 31, 2008	200,000	1,027,600	36,525,339	37,752,939

Notes to the financial statements form an integral part of these statements

RAMA IX ART MUSEUM FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

1. OBJECTIVES OF THE FOUNDATION

Office of the National Culture Commission approved the setup of the Rama IX Art Museum Foundation ("the Foundation") on August 15, 1996. The registration for the setup of the Foundation was completed on October 4, 1996, with the following objectives:

1.1 To manage the Project of Art Exhibition in the honor of His Majesty King Bhumibol Adulyadej, the Supreme Artist, in Art and Culture, commemoration of the 50^{th} anniversary of His Majesty The King's accession to the throne.

1.2 To be responsible to fund raising in order to build up and manage a modern art museum to be named in the honor of His Majesty The King.

1.3 To support and develop knowledge of art. To collect and promote Thai artworks in the country and throughout the other countries around the world.

1.4 To promote and support the attitude to preserve the Thai contemporary art.

1.5 To organize a quality art publishing house concentrating in conventional publications and electronic educational aids for further understanding of Thai contemporary arts and to support and develop artistical knowledge.

1.6 To organize with other non-profit organization, education institution, art activities and others which have its same objectives in order to stimulate more grants and funding for public and young artists.

1.7 To encourage local and international artistic and cultural collaborations in order to support objectives of the foundation.

2. FUNDING POLICIES

The Foundation was established with the initial funds of Baht 200,000. The Foundation may raise additional funds as follows:.

2.1 Funds provided by Governmental organizations or state enterprises, or others in the country.

2.2 Funds or properties donated by charitable persons or organizations in the country or abroad.

2.3 Fund or properties bequeathed under a will or other juristic acts, provided that there are no conditions obligating the Foundation to any liabilities or whatsoever.

2.4 Interest and dividends arising from funds and the property which constitute the assets of the Foundation.

2.5 Contributions from the usage of the property or facilities of the Foundation, or services provided by the Foundation with free of charge.

2.6 Other income from the Foundation's activities.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Foundation prepares its statutory financial statements in the Thai language in accordance with accounting standards and practices generally accepted in Thailand.

The financial statements are prepared in accordance with the Notification of the Department of Commercial Registration (currently the Department of Business Development) dated September 14, 2001 regarding "The Brief Particulars in the Financial Statements B.E.2544".

In the year 2007, Thai Accounting Standard No. 35 (Revised 2007) "Presentation of Financial Statements" was announced by the Federation of Accounting Professions and applied for the financial statements of periods beginning on or after January 1, 2008. The revised standard has an effect on the financial statement presentation, and is different from the presentation required by the notification as mentioned in the preceding paragraph. However, the financial statements of the Foundation for the year ended December 31, 2008 are presented in accordance with the Notification as mentioned in the above paragraph. The revision of the Thai Accounting Standard has no material impact on the financial statements of the Foundation.

According to the Federation of Accounting Professions' Notification No. 21/2550 regarding "Exemption of Accounting Standards", the Foundation has elected to adopt the exemption by not applying Thai Accounting Standards No. 25 (revised 2007) "Cash Flow Statement", No. 47 "Related Party Disclosures" and No. 48 "Financial Instruments : Disclosure and Presentation".

The financial statements have been prepared under the historical cost convention except as disclosed in Note 4 to the financial statements regarding significant accounting policies.

The Federation of Accounting Professions issued Notification of Federation of Accounting Professions No. 86/2551 dated November 12, 2008 regarding the following accounting standards that were announced in the Royal Gazette, but were not in effect in 2008:

TAS 36	(Revised 2007)	Impairment of assets
TAS 54	(Revised 2007)	Non-current assets held for sales and discontinued operations

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4.5 Art collection

The artworks transferred from the Golden Jubilee Art Celebration as well as donated by artists, are estimated their value by individual artists.

4.6 Use of accounting estimates

Preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates.

5. CURRENT INVESTMENT

As at December 31, 2008 and 2007, the unrealized gain on investment in short-term fixed income fund and opened-end fund are as follows:

	2008			2007		
	Cost	Gross Unrealized Gain	Net Asset Value	Cost	Gross Unrealized Gain	Net Asset Value
	Baht	Baht	Baht	Baht	Baht	Baht
Securities investment	14,400,000	2,929,761	17,329,761	19,200,000	1,959,376	21,159,376
Total	14,400,000	2,929,761	17,329,761	19,200,000	1,959,376	21,159,376

6. SUPPLIES

Supplies as at December 31, consist of the following:

	2008 Baht	2007 Baht
Art in the Reign of Rama IX Books and art catalogues	549,858	555,004
CD Project 6 Decade	13,144	13,698
	563,002	568,702

Supplies will be given to donors who provide the Foundation with financial support.

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7. EQUIPMENT - NET

Equipment - net as at December 31, consists of the following:

	Balance December 31, 2007 Baht	Additions/ Transfer in Baht	Write-off Baht	Balance December 31, 2008 Baht
Cost:				
Office equipment	1,407,687	69,153	-	1,476,840
Building improvement	-	130,594	-	130,594
	1,407,687	199,747	-	1,607,434
Accumulated depreciation:				
Office equipment	(656,739)	(248,991)	-	(905,730)
Building improvement	-	(26,954)	-	(26,954)
	(656,739)	(275,945)	-	(932,684)
Building and Equipment - net	750,948			674,750

	Balance December 31, 2006 Baht	Additions/ Transfer in Baht	Write-off Baht	Balance December 31, 2007 Baht
Cost:				
Office equipment	1,383,611	24,076	-	1,407,687
Building improvement	-	-	-	-
	1,383,611	24,076	-	1,407,687
Accumulated depreciation:				
Office equipment	(409,955)	(246,784)	-	(656,739)
Building improvement	-	-	-	-
	(409,955)	(246,784)	-	(656,739)
Building and Equipment - net	973,656			750,948

Depreciation for the years		
2008	**Baht**	275,945
2007	**Baht**	246,784

8. SOFTWARE - NET

Software - net as at December 31, consists of the following:

	Balance as at December 31, 2007 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2008 Baht
Software	59,068	-	-	59,068
Less Accumulated amortization	(13,761)	(11,814)	-	(25,575)
Software - net	45,307			33,493

	Balance as at December 31, 2006 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2007 Baht
Software	23,540	35,528	-	59,068
Less Accumulated amortization	(4,316)	(9,445)	-	(13,761)
Software - net	19,224			45,307

Amortization for the years		
2008	**Baht**	11,814
2007	**Baht**	9,445

9. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized director of the Foundation on March 27, 2009.