RAMA IX ART MUSEUM FOUNDATION

Financial Statements

Year ended December 31, 2014

Deloitte.

บริษัท ดีลอยท์ ทู้ช โธมัทสุ ไชยยศ
สอบบัญชี จำกัด
อาคารรัจนาการ ชั้น 25-26, 28
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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS
RAMA IX ART MUSEUM FOUNDATION

We have audited the accompanying financial statements of Rama IX Art Museum Foundation, which comprise the statements of financial position as at December 31, 2014, and the statements of income and expenditure and statement of changes in funds' equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2014, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

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

BANGKOK
February 26, 2015

RAMA IX ART MUSEUM FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

UNIT : BAHT

	Notes	2014	2013
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,164,622	2,538,423
Temporary investments	6	26,040,410	27,126,109
Supplies	7	1,426,953	1,521,454
Other current assets	8	294,125	1,359,166
Total Current Assets		28,926,110	32,545,152
NON-CURRENT ASSETS			
Leasehold improvement and equipment	9	513,785	413,790
Intangible asset	10	6,873	8,743
Art collection		20,191,253	19,386,253
Total Non-current Assets		20,711,911	19,808,786
TOTAL ASSETS		49,638,021	52,353,938
LIABILITIES AND FUND'S EQUITY			
CURRENT LIABILITIES			
Accrued expenses		169,047	2,153,419
Foundation income tax payable		385,295	414,478
Total Current Liabilities		554,342	2,567,897
TOTAL LIABILITIES		554,342	2,567,897
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		47,856,079	48,558,441
Total Fund's Equity		49,083,679	49,786,041
TOTAL LIABILITIES AND FUND'S EQUITY		49,638,021	52,353,938

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

RAMA IX ART MUSEUM FOUNDATION

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2014

UNIT : BAHT

	Notes	2014	2013
INCOME			
Donation income		2,909,010	7,660,805
Donated artworks		1,320,000	-
Interest income		6,692	11,719
Investment income		914,386	943,198
Other income		120,000	898,336
Total Income		5,270,088	9,514,058
EXPENDITURE			
Personnel expenses		2,754,678	2,105,303
Rental fee		607,653	590,571
Professional fees		143,500	123,000
Depreciation and amortization		147,273	113,818
Printing service fee		94,473	83,862
Artwork written off		515,000	-
Artist sponsorship program expenses		200,000	-
1 Century of science and the role of Thailand project expenses		-	840,256
Classics Jeeb Bangkok project expenses	11	5,508	6,026,998
70th anniversary Bangkok Bank project expenses		391,318	-
The Most Illustrious Artist project expense		149,663	-
Other office expenses		871,276	743,057
Income tax expense	12	92,108	111,058
Total Expenditure		5,972,450	10,737,923
INCOME UNDER EXPENDITURE		(702,362)	(1,223,865)

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

RAMA IX ART MUSEUM FOUNDATION

STATEMENT OF CHANGES IN FUND'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

UNIT : BAHT

	Capital Fund from Donation		Accumulated Excess of Income over Expenditure	Total Fund's Equity
	Initial Capital Fund	Additional Fund		
For the year ended December 31, 2013				
Beginning balance as at January 1, 2013	200,000	1,027,600	49,782,306	51,009,906
Income under expenditure	-	-	(1,223,865)	(1,223,865)
Ending balance as at December 31, 2013	200,000	1,027,600	48,558,441	49,786,041
For the year ended December 31, 2014				
Beginning balance as at January 1, 2014	200,000	1,027,600	48,558,441	49,786,041
Income under expenditure	-	-	(702,362)	(702,362)
Ending balance as at December 31, 2014	200,000	1,027,600	47,856,079	49,083,679

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

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 50th 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 government organization, private organization, partnership, local and international company and international 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 AND PRESENTATION OF THE FINANCIAL STATEMENTS

The Foundation maintains its accounting records in Thai Baht and prepares its statutory financial statements in Thai language in conformity with Thai Financial Reporting Standard for Non-Publicly Accountable Entities ("TFRS for NPAEs") issued by the Federation of Accounting Professions and accounting practices generally accepted in Thailand.

The financial statements have been prepared on an accrual basis under the measurement basis of historical cost except as disclosed in the accounting policies.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents are cash and all types of deposits at financial institutions with maturity of three months or less and excluding deposits at financial institutions used as collateral.

4.2 Temporary investments

Temporary investments are carried at fair value. Changes in fair value of investment are recognized in the statement of income and expenditure.

In case diminution in value of an investment has occurred, a resultant loss on diminution is recognized as expense in the statement of income and expenditure and a related allowance for diminution is established.

4.3 Supplies

Supplies are stated at cost which is calculated on an average basis.

4.4 Leasehold improvement and equipment

Leasehold improvement and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Leasehold improvement	3 years
Office equipment	5 years

For office equipment, which was transferred from the Golden Jubilee Art Celebration, depreciation is calculated by the straight-line method, based on its remaining useful life.

4.5 Intangible asset

Intangible asset which is computer program is stated at cost less accumulated amortization.

Amortization is calculated by the straight-line method, based on the estimated useful lives over the period of 5 years.

4.6 Art collection

The artworks transferred from the Golden Jubilee Art Celebration as well as donated by artists, are presented at price given by the individual Artists.

4.7 Income and expenditure recognition

Income and expenditure are recognized on an accrual basis, except for income from donation, which is recognized when the donation is received.

4.8 Income tax expense

The Foundation records income tax expense to be paid as expense of the year and records related tax liability using the accrual basis.

4.9 Use of accounting estimates

The preparation of financial statements in conformity with TFRS for NPAEs also requires the Foundation's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of income and expenditure during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consist of the following:

	2014 Baht	2013 Baht
Cash on hand	27,000	27,000
Cash at banks - savings account	1,137,622	2,511,423
	1,164,622	2,538,423

As at December 31, 2014 and 2013, the weighted average interest rate of savings account was 0.5% per annum and 0.625% per annum, respectively.

6. TEMPORARY INVESTMENTS

As at December 31, the unrealized gains on investments in short-term fixed income fund and opened-end fund are as follows:

	2014			2013		
	Cost	Gross Unrealized Gain	Fair Value	Cost	Gross Unrealized Gain	Fair Value
	Baht	Baht	Baht	Baht	Baht	Baht
Short-term fixed income fund and opened-end fund	25,126,024	914,386	26,040,410	26,182,911	943,198	27,126,109
Total	25,126,024	914,386	26,040,410	26,182,911	943,198	27,126,109

7. SUPPLIES

Supplies as at December 31, consist of the following:

	2014 Baht	2013 Baht
Art in the Reign of Rama IX Books and art catalogues	507,877	508,458
Supreme Artist Book	909,218	1,003,692
CD Project 6 Decade	9,858	9,304
	1,426,953	1,521,454

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

8. OTHER CURRENT ASSETS

Other current assets as at December 31, consist of the following:

	2014 Baht	2013 Baht
Deposit	149,682	509,442
Accrued income	56,170	764,400
Others	88,273	85,324
	294,125	1,359,166

9. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at December 31, consists of the following:

As at December 31, 2014

	Balance as at January 1, 2014 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2014 Baht
Cost				
Leasehold improvement	130,594	-	-	130,594
Office equipment	1,351,911	245,431	(172,550)	1,424,792
Total cost	1,482,505	245,431	(172,550)	1,555,386
Accumulated depreciation				
Leasehold improvement	(130,592)	-	-	(130,592)
Office equipment	(938,123)	(145,403)	172,517	(911,009)
Total accumulated depreciation	(1,068,715)	(145,403)	172,517	(1,041,601)
Leasehold improvement and equipment	413,790			513,785

As at December 31, 2013

	Balance as at January 1, 2013 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2013 Baht
Cost				
Leasehold improvement	130,594	-	-	130,594
Office equipment	1,436,757	135,434	(220,280)	1,351,911
Total cost	1,567,351	135,434	(220,280)	1,482,505
Accumulated depreciation				
Leasehold improvement	(130,592)	-	-	(130,592)
Office equipment	(1,045,177)	(113,208)	220,262	(938,123)
Total accumulated depreciation	(1,175,769)	(113,208)	220,262	(1,068,715)
Leasehold improvement and equipment	391,582			413,790

Depreciation for the years ended December 31,

2014	Baht	145,403
2013	Baht	113,208

10. INTANGIBLE ASSET

Intangible asset as at December 31, consists of the following:

As at December 31, 2014

	Balance as at January 1, 2014	Additions	Disposals	Balance as at December 31, 2014
	Baht	Baht	Baht	Baht
Computer program	68,420	-	-	68,420
Less Accumulated amortization	(59,677)	(1,870)	-	(61,547)
Intangible asset	8,743			6,873

As at December 31, 2013

	Balance as at January 1, 2013	Additions	Disposals	Balance as at December 31, 2013
	Baht	Baht	Baht	Baht
Computer program	59,068	9,352	-	68,420
Less Accumulated amortization	(59,067)	(610)	-	(59,677)
Intangible asset	1			8,743

Amortization for the years ended December 31,

2014	Baht	1,870
2013	Baht	610

11. CLASSICS JEEB BANGKOK PROJECT

The Foundation has arranged the classics concert project which the project expense during the years 2014 and 2013 is the amount of Baht 5,508 and Baht 6,026,998, respectively, and donation income during the year 2014 and 2013 is the amount of Baht 2,510,000 and Baht 5,882,250, respectively. Therefore, the total donation income and total project expense for such project is Baht 8,382,250 and Baht 6,032,506, respectively.

12. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2014 and 2013 are calculated from revenues before expenses, for non-tax exempted revenues, according to the Revenue Code.

13. LAWSUIT

During the year 2011, the Foundation has filed a police complaint against a resigned Foundation's officer who was found to have made fraudulent transactions between the years 2007 to 2010 with the total damage value of Baht 693,380, which has already recognized in the financial statements.

On July 17th 2012, a court hearing was held at the Pathumwan Municipal Court and the defendant pleaded guilty to all charges and to reimburse the damage in full amount of Baht 693,380 by paying not less than Baht 10,000 per month and to be completed within 3 years. As at December 31, 2014, the defendant has already compensated for Baht 290,000, therefore, the outstanding amount is Baht 403,380. The Foundation recognized as other income when the damage is received.

14. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized director of the Foundation on February 26, 2015.