RAMA IX ART MUSEUM FOUNDATION

Financial Statements

Year ended December 31, 2007

Deloitte.

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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 balance sheets of Rama IX Art Museum Foundation as at December 31, 2007 and 2006 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, 2007 and 2006 and the income and expenditure and changes in funds' equity for the years then ended in conformity with generally accepted accounting principles.

T. K. Krishnamra

Thaveekiarti Krishanmra
Certified Public Accountant (Thailand)
Registration No. 104

BANGKOK
May 13, 2008

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

RAMA IX ART MUSEUM FOUNDATION

BALANCE SHEETS

AS AT DECEMBER 31, 2007 AND 2006

		BAHT
	2007	**2006**
ASSETS		
CURRENT ASSETS		
Cash and deposits at financial institutions	382,539	1,167,820
Current investment (Notes 4.2 and 5)	21,159,376	19,331,431
Supplies (Notes 4.3 and 6)	568,702	1,045,051
Other current assets	85,431	167,869
Total Current Assets	22,196,048	21,712,171
NON-CURRENT ASSETS		
Equipment - net (Notes 4.4 and 7)	750,948	973,656
Software - net (Notes 4.4 and 8)	45,307	19,224
Art collection (Note 4.5)	18,155,153	17,107,153
Total Non-Current Assets	18,951,408	18,100,033
TOTAL ASSETS	41,147,456	39,812,204
LIABILITIES AND FUND'S EQUITY		
CURRENT LIABILITIES		
Accrued expenses	120,284	606,000
Foundation income tax payable	-	35,295
Total Current Liabilities	120,284	641,295
TOTAL LIABILITIES	120,284	641,295
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	39,799,572	37,943,309
Total Fund's Equity	41,027,172	39,170,909
TOTAL LIABILITIES AND FUND'S EQUITY	41,147,456	39,812,204

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, 2007 AND 2006

		BAHT
	2007	**2006**
INCOME		
Donation income	5,552,959	1,084,300
Donated artworks	1,048,000	317,000
Interest received	8,548	3,035
Investment income	669,461	1,041,079
Other income	-	2,979
Total Income	7,278,968	2,448,393
EXPENDITURE		
Salaries and wages	2,411,339	1,899,000
Rental fee	402,144	397,490
Professional fees	60,000	60,000
Depreciation and amortization	256,229	137,733
Miscellaneous expenses	886,107	409,569
60 years anniversary project expenses	1,339,085	1,896,463
Foundation income tax	67,801	104,709
Total Expenditure	5,422,705	4,904,964
EXCESS INCOME (DEFICIT) OVER EXPENDITURE	1,856,263	(2,456,571)

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, 2007 AND 2006

BAHT

	Capital Fund From Donation		Accumulated excess of income over expenditure	Total Fund's equity
	Initial capital Fund	Additional Fund		
BEGINNING BALANCE, JANUARY 1, 2006	200,000	1,027,600	40,399,880	41,627,480
Excess (Deficit) income over expenditure	-	-	(2,456,571)	(2,456,571)
ENDING BALANCE, DECEMBER 31, 2006	200,000	1,027,600	37,943,309	39,170,909
BEGINNING BALANCE, JANUARY 1, 2007	200,000	1,027,600	37,943,309	39,170,909
Excess (Deficit) 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

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, 2007 AND 2006

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 principles 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".

According to the Federation of Accounting Professions' Announcement No. 21/2550 regarding "Exemption of Accounting Standards", the Foundation elected to adopt the exemption by not applying Thai Accounting Standard No. 25 "Cash Flow Statements" and No. 48 "Financial Instruments Disclosure and Presentation".

The Federation of Accounting Professions has issued Notifications of Federation of Accounting Professions No. 9/2550 dated May 2, 2007, No. 38/2550 dated September 21, 2007 and No. 62/2550 dated December 7, 2007 regarding the following accounting standards that were announced in the Royal Gazette, but were not in effect in 2007:

TAS 25	(Revised 2007)	Cash Flow Statements
TAS 29	(Revised 2007)	Leases
TAS 31	(Revised 2007)	Inventories
TAS 33	(Revised 2007)	Borrowing Costs
TAS 35	(Revised 2007)	Presentation of Financial Statements
TAS 39	(Revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41	(Revised 2007)	Interim Financial Reporting
TAS 43	(Revised 2007)	Business Combination
TAS 49	(Revised 2007)	Construction Contracts
TAS 51		Intangible Assets

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These accounting standards will supersede previously issued accounting standards when they become effective. The management has assessed the impact of these accounting standards, when they are effective, for financial periods beginning on or after January 1, 2008 and does not expect them to have a material effect on the Foundation financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Income and expenditure recognition

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

4.2 Investment

Securities classified as available for sale are sated at fair value. Gain or loss on the change in fair value is recognized as a component of shareholders' equity.

In case an impairment in value of an investment has occurred, a provision for impairment is recognized in the statement of income.

For equity securities which are listed securities, fair value or market value are estimated using the bidding prices at the Stock Exchange of Thailand on the last business day of the year.

4.3 Supplies

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

4.4 Equipment and intangible assets

Equipment is stated at cost less accumulated depreciation.

Intangible asset which is software is stated at cost less accumulated amortization.

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

Office equipment	5 years
Software	5 years

For office equipment, which was transferred from the Golden Jubilee Art Celebration, depreciation is based on its remaining useful life.

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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.

5. CURRENT INVESTMENT

Current investment as at December 31, consist of the following:

	2007		2006	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Available-for-sales securities				
Securities investment	21,159,376	21,159,376	19,331,431	19,331,431
Add (less) Revaluation surplus (deficit) on investments	-	-	-	-
	21,159,376	21,159,376	19,331,431	19,331,431

6. SUPPLIES

Supplies as at December 31, consist of the following:

	2007 Baht	2006 Baht
T-shirts	-	325,780
Art in the Reign of Rama IX Books and art catalogues	555,004	697,655
CD Project 6 Decade	13,698	21,616
	568,702	1,045,051

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

7. EQUIPMENT - NET

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

	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
	1,383,611	24,076	-	1,407,687
Accumulated depreciation:				
Office equipment	(409,955)	(246,784)	-	(656,739)
	(409,955)	(246,784)	-	(656,739)
Equipment - net	973,656			750,948

Depreciation for the years		
2007	Baht	246,784
2006	Baht	133,417

8. SOFTWARE - NET

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

	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		
2007	Baht	9,445
2006	Baht	4,316

9. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized director of the Foundation on May 13, 2008.