RAMA IX ART MUSEUM FOUNDATION

Financial Statements

Year ended December 31, 2012

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 accompanying financial statements of Rama IX Art Museum Foundation, which comprise the statements of financial position as at December 31, 2012, 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, 2012, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

Th. Krishnamra

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

BANGKOK
February 28, 2013

RAMA IX ART MUSEUM FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

BAHT

	Notes	2012	2011
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,566,593	10,158,779
Temporary investments	6	28,186,261	14,300,182
Supplies	7	1,606,721	2,032,647
Other current assets	8	305,237	977,157
Total Current Assets		31,664,812	27,468,765
NON-CURRENT ASSETS			
Building and equipment	9	391,582	258,416
Intangible asset	10	1	1
Art collection		19,386,153	19,198,153
Total Non-current Assets		19,777,736	19,456,570
TOTAL ASSETS		51,442,548	46,925,335
LIABILITIES AND FUND'S EQUITY			
CURRENT LIABILITIES			
Accrued expenses		223,006	3,134,681
Foundation income tax payable		209,636	138,751
Total Current Liabilities		432,642	3,273,432
TOTAL LIABILITIES		432,642	3,273,432
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		49,782,306	42,424,303
Total Fund's Equity		51,009,906	43,651,903
TOTAL LIABILITIES AND FUND'S EQUITY		51,442,548	46,925,335

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, 2012 AND 2011

			BAHT
	Notes	**2012**	**2011**
INCOME			
Donation income		11,636,303	14,627,059
Donated artworks		188,000	60,000
Interest income		30,603	21,872
Investment income		878,253	682,435
Other income		60,602	-
Total Income		12,793,761	15,391,366
EXPENDITURE			
Personnel expenses		1,661,825	1,336,340
Rental fee		590,571	603,378
Professional fees		118,000	122,000
Depreciation and amortization		122,545	198,789
Printing service fee		634,131	2,535,186
Miscellaneous expenses		2,216,744	1,606,301
Income tax expenses		91,942	70,431
Total Expenditure		5,435,758	6,472,425
INCOME OVER EXPENDITURE		7,358,003	8,918,941

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

RAMA IX ART MUSEUM FOUNDATION

STATEMENTS OF CHANGES IN FUND'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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, 2011				
Beginning balance as at January 1, 2011	200,000	1,027,600	33,505,362	34,732,962
Income over expenditure	-	-	8,918,941	8,918,941
Ending balance as at December 31, 2011	200,000	1,027,600	42,424,303	43,651,903
For the year ended December 31, 2012				
Beginning balance as at January 1, 2012	200,000	1,027,600	42,424,303	43,651,903
Income over expenditure	-	-	7,358,003	7,358,003
Ending balance as at December 31, 2012	200,000	1,027,600	49,782,306	51,009,906

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, 2012 AND 2011

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 OF 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 (TFRS) for Non-Publicly Accountable Entities (NPAEs) ("TFRS for NPAEs") issued by the Federation of Accounting Professions and practices generally accepted in Thailand.

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

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 when the donation is received.

4.2 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.

4.3 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 impairment in value of an investment has occurred, a provision for impairment is recognized in the statements of income and expenditure and a related allowance for impairment is established.

4.4 Supplies

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

4.5 Building, equipment and intangible assets

Building and equipment is stated at cost less accumulated depreciation.

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

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

Office equipment	5 years
Computer program	5 years
Building Improvement	3 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.

4.6 Art collection

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

4.7 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.

4.8 Use of accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 date of the financial statements 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:

	2012 Baht	**2011 Baht**
Cash on hand	27,000	10,771
Cash at banks - savings account	1,539,593	10,148,008
	1,566,593	10,158,779

As at December 31, 2012 and 2011, the weighted average interest rate of savings account was 0.625% per annum and 0.1% per annum, respectively.

6. TEMPORARY INVESTMENTS

As at December 31, 2012 and 2011, the unrealized gains on investments in short-term fixed income fund and opened-end fund are as follows:

	2012			2011		
	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	27,308,008	878,253	28,186,261	13,617,747	682,435	14,300,182
Total	27,308,008	878,253	28,186,261	13,617,747	682,435	14,300,182

7. SUPPLIES

Supplies as at December 31, 2012 and 2011, consist of the following:

	2012 Baht	2011 Baht
Art in the Reign of Rama IX Books and art catalogues	1,597,457	2,023,264
CD Project 6 Decade	9,264	9,383
	1,606,721	2,032,647

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

8. OTHER CURRENT ASSETS

Other current assets as at December 31, 2012 and 2011, consist of the following:

	2012 Baht	2011 Baht
Deposit	204,323	927,943
Others	100,914	49,214
	305,237	977,157

9. BUILDING AND EQUIPMENT

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

As at December 31, 2012

	Balance as at December 31, 2011 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2012 Baht
Cost:				
Office equipment	1,727,740	257,859	(548,842)	1,436,757
Building improvement	130,594	-	-	130,594
Total cost	1,858,334	257,859	(548,842)	1,567,351
Accumulated depreciation:				
Office equipment	(1,494,609)	(97,262)	546,694	(1,045,177)
Building improvement	(105,309)	(25,283)	-	(130,592)
Total accumulated depreciation	(1,599,918)	(122,545)	546,694	1,175,769
Building and equipment	258,416			391,582

As at December 31, 2011

	Balance as at December 31, 2010 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2011 Baht
Cost:				
Office equipment	1,553,661	174,079	-	1,727,740
Building improvement	130,594	-	-	130,594
Total cost	1,684,255	174,079	-	1,858,334
Accumulated depreciation:				
Office equipment	(1,331,804)	(162,805)	-	(1,494,609)
Building improvement	(79,192)	(26,117)	-	(105,309)
Total accumulated depreciation	(1,410,996)	(188,922)	-	(1,599,918)
Building and equipment	273,259			258,416

Depreciation for the years ended December 31,

2012	**Baht**	122,545
2011	**Baht**	188,922

10. INTANGIBLE ASSET

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

As at December 31, 2012

	Balance as at December 31, 2011 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2012 Baht
Computer program	59,068	-	-	59,068
Less Accumulated amortization	(59,067)	-	-	(59,067)
Intangible asset	1			1

As at December 31, 2011

	Balance as at December 31, 2010 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2011 Baht
Computer program	59,068	-	-	59,068
Less Accumulated amortization	(49,201)	(9,866)	-	(59,067)
Intangible asset	9,867			1

Amortization for the years ended December 31,		
2012	**Baht**	-
2011	**Baht**	9,866

11. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2012 and 2011 are calculated from revenues before expenses, for non-tax exempted revenues, according to the Revenue Code.

12. 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.

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 by paying not less than Baht 10,000 per month and to be completed within 3 years. The defendant has already compensated for Baht 50,000, therefore, the outstanding amount is Baht 643,380.

13. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized director of the Foundation on February 28, 2013.