RAMA IX ART MUSEUM FOUNDATION

Financial Statements

Year ended December 31, 2011

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 statements of financial position of Rama IX Art Museum Foundation as at December 31, 2011 and 2010 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, 2011 and 2010 and the income and expenditure for the years then ended in conformity with generally accepted accounting principles.

Without qualifying our opinion, as described in Note 3 to the financial statements, for the year ended December 31, 2011, the Foundation has adopted Thai Financial Reporting Standard for Non-Publicly Accountable Entities issued by the Federation of Accounting Professions, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in the preparation and presentation of these financial statements. The financial statements for the year ended December 31, 2010, presented herein for comparison, are presented in the new format to conform to the financial statements for the year ended December 31, 2011.

T.K. Krishanmra

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

BANGKOK
March 18, 2012

RAMA IX ART MUSEUM FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011 AND 2010

BAHT

	Notes	2011	2010
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	10,158,779	1,211,045
Temporary investments	6	14,300,182	13,633,438
Supplies	7	2,032,647	531,968
Other current assets	8	977,157	156,090
Total Current Assets		27,468,765	15,532,541
NON-CURRENT ASSETS			
Building and equipment - net	9	258,416	273,259
Intangible asset - net	10	1	9,867
Art collection		19,198,153	19,138,153
Total Non-current Assets		19,456,570	19,421,279
TOTAL ASSETS		46,925,335	34,953,820
LIABILITIES AND FUND'S EQUITY			
CURRENT LIABILITIES			
Accrued expenses		3,134,681	177,517
Foundation income tax payable		138,751	43,341
Total Current Liabilities		3,273,432	220,858
TOTAL LIABILITIES		3,273,432	220,858
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		42,424,303	33,505,362
Total Fund's Equity		43,651,903	34,732,962
TOTAL LIABILITIES AND FUND'S EQUITY		46,925,335	34,953,820

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, 2011 AND 2010

	BAHT	
	2011	2010
INCOME		
Donation income	14,627,059	1,004,280
Donated artworks	60,000	50,000
Interest income	21,872	2,136
Investment income	682,435	431,278
Total Income	15,391,366	1,487,694
EXPENDITURE		
Personnel expenses	1,336,340	2,153,062
Rental fee	603,378	623,161
Professional fees	122,000	80,000
Depreciation and amortization	198,789	237,854
Printing service fee	2,535,186	-
Miscellaneous expenses	1,606,301	382,161
Foundation income tax	70,431	43,341
Total Expenditure	6,472,425	3,519,579
INCOME OVER (UNDER) EXPENDITURE	8,918,941	(2,031,885)

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, 2011 AND 2010

BAHT

	Capital Fund from Donation		Accumulated Excess of Income over Expenditure (Under)	Total Fund's Equity
	Initial Capital Fund	Additional Fund		
Beginning balance as at January 1, 2010	200,000	1,027,600	35,537,247	36,764,847
Income under expenditure	-	-	(2,031,885)	(2,031,885)
Ending balance as at December 31, 2010	200,000	1,027,600	33,505,362	34,732,962
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

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, 2011 AND 2010

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.

For the year ended December 31, 2011, the Foundation has adopted TFRS for NPAEs, issued by the Federations of Accounting Professions which is effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in the preparation and presentation of these financial statements. Such TFRS for NPAEs has no significant impact on the Foundation's financial statements.

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 on cash basis.

4.2 Temporary investments

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

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

4.3 Supplies

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

4.4 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.

4.5 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

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:

	2011 Baht	**2010 Baht**
Cash on hand	10,771	20,772
Cash at banks - savings account	10,148,008	1,190,273
	10,158,779	1,211,045

As at December 31, 2011 and 2010, the weighted average interest rate of savings account was 0.1% per annum and 0.1% per annum, respectively.

6. TEMPORARY INVESTMENTS

As at December 31, 2011 and 2010, the unrealized gains on investments in short-term fixed income fund and opened-end fund are as follows:

	2011 Cost Baht	2011 Gross Unrealized Gain Baht	2011 Fair Value Baht	2010 Cost Baht	2010 Gross Unrealized Gain Baht	2010 Fair Value Baht
Short-term fixed income fund and opened-end fund	13,617,747	682,435	14,300,182	13,202,160	431,278	13,633,438
Total	13,617,747	682,435	14,300,182	13,202,160	431,278	13,633,438

7. SUPPLIES

Supplies as at December 31, 2011 and 2010, consist of the following:

	2011 Baht	2010 Baht
Art in the Reign of Rama IX Books and art catalogues	2,023,264	521,912
CD Project 6 Decade	9,383	10,056
	2,032,647	531,968

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

8. OTHER CURRENT ASSETS

Other current assets as at December 31, 2011 and 2010, consist of the following:

	2011 Baht	2010 Baht
Deposit	927,943	156,090
Others	49,214	-
	977,157	156,090

9. BUILDING AND EQUIPMENT - NET

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

As at December 31, 2011

	Balance December 31, 2010 Baht	Additions Baht	Write-off Baht	Balance December 31, 2011 Baht
Cost:				
Office equipment	1,553,661	174,079	-	1,727,140
Building improvement	130,594	-	-	130,594
Total cost	1,684,255	-	-	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 - net	273,259			258,416

As at December 31, 2010

	Balance December 31, 2009 Baht	Additions Baht	Write-off Baht	Balance December 31, 2010 Baht
Cost:				
Office equipment	1,481,740	71,921	-	1,553,661
Building improvement	130,594	-	-	130,594
Total cost	1,612,334	71,921	-	1,684,255
Accumulated depreciation:				
Office equipment	(1,131,883)	(199,921)	-	(1,331,804)
Building improvement	(53,073)	(26,119)	-	(79,192)
Total accumulated depreciation	(1,184,956)	(226,040)	-	(1,410,996)
Building and equipment - net	427,378			273,259

Depreciation for the years ended December 31,

2011	**Baht**	188,922
2010	**Baht**	226,040

10. INTANGIBLE ASSET - NET

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

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 - net	9,867			1

As at December 31, 2010

	Balance as at December 31, 2009 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2010 Baht
Computer program	59,068	-	-	59,068
Less Accumulated amortization	(37,388)	(11,813)	-	(49,201)
Intangible asset - net	21,680			9,867

Amortization for the years ended December 31,

2011	Baht	9,866
2010	Baht	11,813

11. 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. The case is now with the Office of The Attorney General. The Foundation recognized such fraudulent transactions in the financial statements.

12. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized director of the Foundation on March 18, 2012.