

# Thailand Environment Foundation

## Financial Statements

31 December 2003

### AUDITOR'S REPORT

#### To the Board of Directors of Thailand Environment Foundation

I have audited the accompanying balance sheets of the Thailand Environment Foundation as at 31 December 2003 and 2002 and the related statements of revenues and expenditures and changes in fund balances for the years then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thailand Environment Foundation as at 31 December 2003 and 2002, and its revenues and expenditures and changes in fund balances for the years then ended in accordance with generally accepted accounting principles.

WIMON CHIAMCHITTRONG  
Certified Public Accountant  
(Thailand) No. 3365  
PricewaterhouseCoopers ABAS Limited

Bangkok  
19 March 2004

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<sup>1</sup> The Thailand Environment Foundation is a non-governmental organization registered as a charitable foundation under Thai law. The Thailand Environment Institute was established by the Foundation to implement its objectives and to carry out all activities on behalf of the Foundation.

Thailand Environment Foundation  
Balance Sheets  
As at 31 December 2003 and 2002

		2003				2002
	Notes	Operating Fund Baht	Sponsored program Fund Baht	Capital & reserve Fund Baht	Total All Funds Baht	Total All Funds Baht
<b>Assets</b>						
<b>Current assets</b>						
Cash in hand and at banks	3	37,225,029	19,492,906	37,086,625	93,804,560	116,260,076
Sponsorships receivable		6,150	14,599,297	-	14,605,447	11,862,583
Fund receivable		20,467,681	-	2,348,874	22,816,555	16,042,954
Other current assets		667,962	1,923,041	502,007	3,093,010	3,019,768
Long-term investment due within one year	4	-	-	4,000,000	4,000,000	-
<b>Total current assets</b>		<b>58,366,822</b>	<b>36,015,244</b>	<b>43,937,506</b>	<b>138,319,572</b>	<b>147,185,381</b>
<b>Non - Current assets</b>						
Long-term investment	4	-	-	-	-	4,000,000
Property and equipment, net	5	47,103,140	5,940,034	-	53,043,174	12,149,298
<b>Total non - current assets</b>		<b>47,103,140</b>	<b>5,940,034</b>	<b>-</b>	<b>53,043,174</b>	<b>16,149,298</b>
<b>Total assets</b>		<b>105,469,962</b>	<b>41,955,278</b>	<b>43,937,506</b>	<b>191,362,746</b>	<b>163,334,679</b>
<b>Liabilities and fund balances</b>						
<b>Liabilities</b>						
Advance from sponsors		-	7,478,763	-	7,478,763	13,809,601
Accounts payable and accrued expenses		6,213,112	4,136,235	29,446	10,378,793	6,904,373
Fund payable		2,348,874	20,467,681	-	22,816,555	16,042,954
<b>Total liabilities</b>		<b>8,561,986</b>	<b>32,082,679</b>	<b>29,446</b>	<b>40,674,111</b>	<b>36,756,928</b>
<b>Fund balances</b>						
Unrestricted		-	-	19,173,429	19,173,429	61,526,629
Restricted	6	96,907,976	9,872,599	24,734,631	131,515,206	65,051,122
<b>Total fund balances</b>		<b>96,907,976</b>	<b>9,872,599</b>	<b>43,908,060</b>	<b>150,688,635</b>	<b>126,577,751</b>
<b>Total liabilities and fund balances</b>		<b>105,469,962</b>	<b>41,955,278</b>	<b>43,937,506</b>	<b>191,362,746</b>	<b>163,334,679</b>

The notes to the financial statements on pages 24 to 26 form an integral part of these financial statements.

Thailand Environment Foundation  
Statements of revenues and expenditures and changes in fund balances  
For the years ended 31 December 2003 and 2002

		2003			2002
		Operating Fund Baht	Sponsored Program Fund Baht	Capital & Reserve Fund Baht	Total All Funds Baht
	Notes				
Revenues					
Sponsorships		941,610	93,829,502	-	94,771,112
Contribution from members		-	8,353,120	-	8,353,120
Other income	7	1,765,401	2,147,229	1,248,875	5,161,505
Total revenues		2,707,011	104,329,851	1,248,875	108,285,737
Expenditures					
Salary and related costs		11,394,836	24,142,296	533,394	36,070,526
Sub-contract for research		517,258	4,918,255	-	5,435,513
Rental fee		274,664	1,309,354	-	1,584,018
Utility and communication expenses		966,678	1,934,674	470,800	3,372,152
Travel and related costs		203,837	3,818,993	-	4,022,830
Meeting and seminar expenses		1,058,263	11,072,789	-	12,131,052
Publication expense		228,574	3,381,327	-	3,609,901
Promotional material		507,433	1,230,558	-	1,737,991
Library and document		40,744	33,334	-	74,078
Computer and stationery supplies		313,561	1,088,289	-	1,401,850
Bank charge and duty stamp		66,337	268,805	-	335,142
Consultant and audit fees		266,436	143,270	-	409,706
Media expenses		139,260	27,649	-	166,909
Field expenses		-	2,020,124	-	2,020,124
Depreciation	5	1,225,213	2,654,221	-	3,879,434
Contribution for projects activities		326,980	4,530,386	-	4,857,366
Miscellaneous		940,761	2,125,499	-	3,066,260
Total expenditures		18,470,836	64,699,823	1,004,194	84,174,853
Excess of revenues over (under) expenditures		-15,763,825	39,630,028	244,681	24,110,884
Changes in fund balances					
Fund balances brought forward		51,901,370	3,761,576	70,914,805	126,577,751
Increase (decrease) during the year		-15,763,825	39,630,028	244,681	24,110,884
Less Fund transferred :					-
- Completed projects	8	23,970,836	-33,519,005	9,548,169	-
- Application of plant fund		42,299,595	-	-42,299,595	-
- Reserve for plant fund	9	-4,500,000	-	4,500,000	-
- Reserve for staff educational fund	10	-1,000,000	-	1,000,000	-
Fund balances carried forward		96,907,976	9,872,599	43,908,060	150,688,635

The notes to the financial statements on pages 24 to 26 form an integral part of these financial statements.

## 1 General information

Thailand Environment Foundation ("the Foundation") was established on 24 February 1993 as a non-profit making organisation and aims to play a catalytic role in promoting close cooperation among government, private sector, a coalition of NGOs, media and academia. The Foundation conducts policy research and action-oriented research for protect the environment and promote Thailand's long-term policy on the environment.

The address of its registered office is as follows:

16/151, Muang Thong Thani, Bond Street, Tambon Bangpood, Amphur Pakkred, Nonthaburi 11120.

Thailand Environment Foundation was declared to be a public charity No. 322, in accordance with the Ministry of Finance's Notification dated 14 October 1997.

As at 31 December 2003, the Foundation employed 110 employees. (2002 : 135 employees)

## 2 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out belows.

### 2.1 Basis of preparation

The financial statements are prepared in accordance with and comply with generally accepted accounting principles in Thailand.

### 2.2 Fund accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to Thailand Environment Foundation, the financial statements are maintained in accordance with the principles of "fund accounting". The purpose of the funds maintained by Foundation are as follows :

**Operating fund** : funds available for general operating purpose. Operating fund is supported by approximately 30% of gross revenue from sponsored program fund.

**Sponsored program fund** : funds for research activities, field activities, seminars, workshops, conferences, symposia, or training, supported by donors or other outside agencies.

**Capital fund** : represents the initial registered fund of the Foundation of Baht 5,000,000. Commencing from 1 January 1996, the interest income derived from the capital fund shall be included in reserve fund.

**Reserve fund** : funds contributed from various sources and are accumulated as reserve for future uses. Commencing from 1 January 1996, the interest income incurred shall be included in the reserve fund.

### 2.3 Revenues and expenditures

Sponsorships are recognised as revenues in accordance with the terms of the contracts. When sponsorships received exceed the expenditures incurred, the net balance is presented as advance from sponsors, and vice versa, the net balance is presented as sponsorships receivable.

Expenditures are recorded on an accrual basis.

### 2.4 Property and equipment

Property and equipment are stated at cost.

Depreciation is calculated on a straight-line method to write off the cost of each asset except for land as it is deemed to have an indefinite life to their residual values over their estimated useful lives as follows:

Building	10 and 20 years
Leasehold improvement	5 years
Furniture and office equipment	3 and 5 years
Motor vehicles	5 years

The foundation records depreciation as an expense in the year. When a fixed asset is retired, the foundation will write off both the asset and the related accumulated depreciation from the accounts, and recognise any gain or loss from retirement of the asset in the statement of revenues and expenses.

Expenditures for addition, renewal and betterment, which result in a substantial increase in an asset's current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.

### 3 Cash in hand and at banks

The Foundation has pledged bank deposits of Baht 12,692,946 (2002 : Baht 8,208,800) as security for bank guarantees in respect of research and field projects.

### 4 Long-term investment

This represents Government bonds bearing interest at 4.75% per annum which will be due in 2004 as detailed below:

	2003 Baht	2002 Baht
Long-term investment	4,000,000	4,000,000
<u>Less</u> : Current portion due within one year	<u>(4,000,000)</u>	<u>-</u>
	<u>-</u>	<u>4,000,000</u>

### 5 Property and equipment, net

#### Sponsored Program Fund

	Furniture & office equipment Baht	Motor vehicles Baht	Total Baht
<b>At 31 December 2002</b>			
Cost	19,788,999	7,352,538	27,141,537
<u>Less</u> Accumulated depreciation	<u>(16,620,122)</u>	<u>(3,683,929)</u>	<u>(20,304,051)</u>
Net book amount	<u>3,168,877</u>	<u>3,668,609</u>	<u>6,837,486</u>
<b>For the year ended 31 December 2003</b>			
Opening net book amount	3,168,877	3,668,609	6,837,486
Additions	1,239,156	1,011,000	2,250,156
Disposals, net	(484,949)	(8,438)	(493,387)
Depreciation charges	(1,541,759)	(1,112,462)	(2,654,221)
Closing net book amount	<u>(2,381,325)</u>	<u>(3,558,709)</u>	<u>(5,940,034)</u>
<b>At 31 December 2003</b>			
Cost	16,133,051	8,325,038	24,458,089
<u>Less</u> Accumulated depreciation	<u>(13,751,726)</u>	<u>(4,766,329)</u>	<u>(18,518,055)</u>
Net book amount	<u>2,381,325</u>	<u>3,558,709</u>	<u>5,940,034</u>

#### Operating Fund

	Land Baht	Buildings and building improvement Baht	Leasehold improvement Baht	Furniture & office Equipment Baht	Motor vehicles Baht	Total Baht
<b>At 31 December 2002</b>						
Cost	3,240,000	2,204,288	1,652,597	6,440,731	2,133,257	15,670,873
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(1,469,922)</u>	<u>(1,639,368)</u>	<u>(5,309,262)</u>	<u>(1,940,509)</u>	<u>(10,359,061)</u>
Net book amount	<u>3,240,000</u>	<u>734,366</u>	<u>13,229</u>	<u>1,131,469</u>	<u>192,748</u>	<u>5,311,812</u>
<b>For the year ended 31 December 2003</b>						
Opening net book amount	3,240,000	734,366	13,229	1,131,469	192,748	5,311,812
Additions	9,569,200	30,985,899	-	2,461,647	-	43,016,746
Disposals, net	-	-	(171)	(34)	-	(205)
Depreciation charges	-	(347,768)	(12,517)	(737,495)	(127,433)	(1,225,213)
Closing net book amount	<u>12,809,200</u>	<u>31,372,497</u>	<u>541</u>	<u>2,855,587</u>	<u>65,315</u>	<u>47,103,140</u>
<b>At 31 December 2003</b>						
Cost	12,809,200	33,190,187	1,204,411	8,696,959	2,133,257	58,034,014
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(1,817,690)</u>	<u>(1,203,870)</u>	<u>(5,841,372)</u>	<u>(2,067,942)</u>	<u>(10,930,874)</u>
Net book amount	<u>12,809,200</u>	<u>31,372,497</u>	<u>541</u>	<u>2,855,587</u>	<u>65,315</u>	<u>47,103,140</u>

## 5 Property and equipment, net (Cont'd)

Equipment for Sponsored program fund are those acquired for specific projects and are available to be used by the Foundation at the completion of the projects except those of the sponsors specify for other particular purposes.

Depreciation for 2003 amounting to Baht 3,879,434 (2002 : Baht 3,104,802) has been included in the statement of revenues and expenditures.

## 6 Capital and Reserve fund balance - restricted

	2003 Baht	2002 Baht
The capital fund	14,465,579	23,416,625
Reserve for plant fund	2,200,405	30,270,880
Reserve for staff educational fund	7,062,892	6,341,614
Reserve for medical welfare	1,005,755	1,260,427
	<u>24,734,631</u>	<u>61,289,546</u>

## 7 Other income

	2003			2002	
	Operating Fund Baht	Sponsored Program Fund Baht	Capital & Reserve Fund Baht	Total All Funds Baht	Total All Funds Baht
Interest income	164,265	167,943	1,218,875	1,551,083	2,227,714
Revenue from training course and registration	-	-	-	-	154,940
Others	1,601,136	1,979,286	30,000	3,610,422	1,158,215
	<u>1,765,401</u>	<u>2,147,229</u>	<u>1,248,875</u>	<u>5,161,505</u>	<u>3,540,869</u>

## 8 Fund transferred - completed projects

Revenue from Sponsored program Fund is allocated to operating fund at the rate between 10% - 30% of gross revenue. Allocation will be made when cash is received.

## 9 Reserve for plant fund

The Foundation has established a reserve for plant fund. The amount of which is based on the market rate of rental expense of fixed assets and is allocated from operating fund.

## 10 Reserve for staff educational fund

The Foundation has established a reserve for staff educational fund. An amount of Baht 1 million per annum is allocated from operating fund.

## 11 Commitments and contingent liabilities

As at 31 December 2003, there are bank guarantees issued on behalf of the Foundation in respect of research projects and field projects amounting to Baht 12,692,946 (2002: Baht 8,208,800).

# Donors & Sponsors

## Domestic

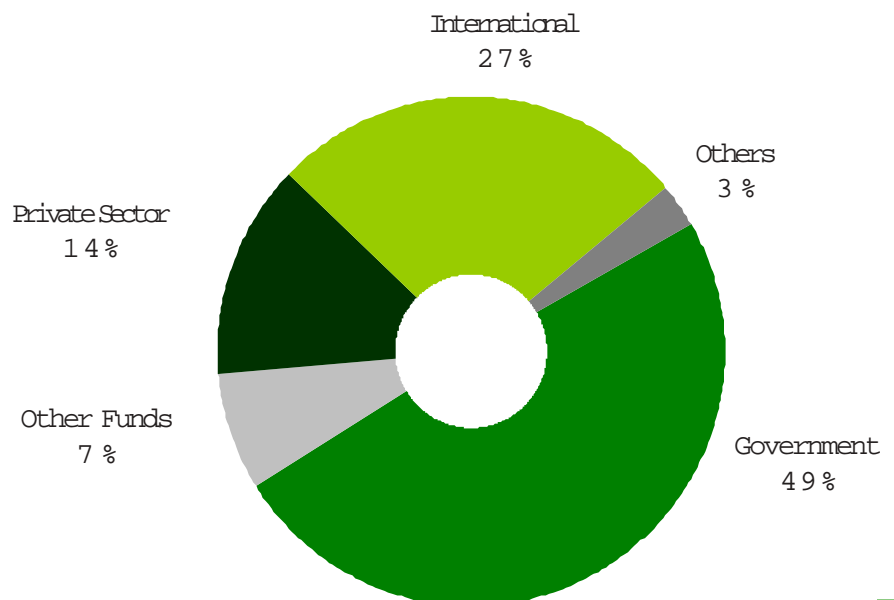
Department of Environmental Quality Promotion  
 Department of Industrial Promotion  
 Department of Mineral Resources  
 DTAC - Total Access Communication Plc.  
 Electrical and Electronics Institute  
 Energy Policy and Planning Office  
 Industrial Estate Authority of Thailand  
 Kenan Institute Asia  
 MMC Sittipol Company Limited  
 National Economic and Social Development Board  
 National Petrochemical Public Company Limited  
 Office of Natural Resources and Environmental Policy and Planning  
 Pacific Consultant  
 The Petroleum Authority of Thailand  
 Pollution Control Department  
 Standard Chartered Nakornthon Bank  
 Thai Health Promotion Foundation  
 Thai Industrial Standards Institute  
 Thailand Business Council for Sustainable Development  
 Thailand Cultural Environment Fund  
 The Thailand Research Fund  
 Toyota Foundation  
 Unocal Thailand Limited

## International

Asian Development Bank  
 Danish International Development Agency  
 Deutsche Gesellschaft Fur Technische Zusammenarbeit  
 The Global Ecolabelling Network  
 International Civil Service Commission  
 The International Council for Local Environmental Initiatives Canada  
 International Tropical Timber Organization  
 The Institute for Global Environmental Strategies  
 Japan Environment Management Association for Industry  
 Japan Environmental Education Forum  
 The Japan Society for International Development  
 The Kanagawa International Environment Cooperation Committee  
 United Nations Conference on Trade and Environment  
 United Nations Household Survey Capability Programme  
 United States Asia Environment Partnership  
 World Resources Institute

## Funding Sources

(as of December 2003)



# TEI Library & Publications

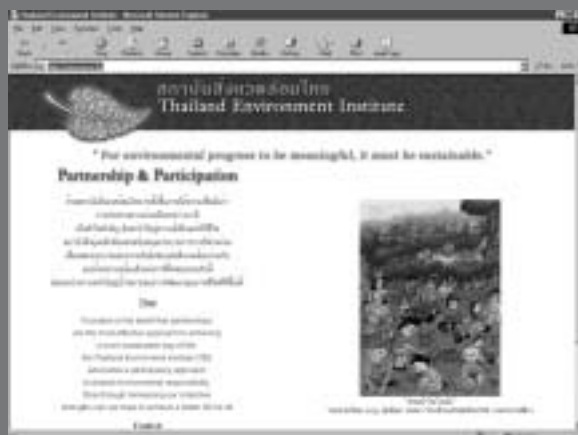
(sample of TEI publications)



The TEI Library is a bi-lingual (Thai/English) specialized environmental library, supporting the vision of TEI and the project activities of the different programs of TEI.

The collections of the Library cover a wide range of environment related subjects such as pollution, waste management, cleaner technology, global warming, forestry, status of the environment, environmental management and good governance, international environmental agreements, national environmental legislation, sustainable development, and so forth. The type of publications included range from project and research reports, academic, technical and general publications, videos and CD-Roms. The Library also maintains a collection of environmental news clippings, environmental newsletters, and periodicals.

Visitors are welcome to use the Library during opening hours from 08:00 to 17:30 on weekdays (closed on public holidays). It is also possible to borrowing TEI Library materials through inter-library loans.



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Issued by Thailand Environment Institute (TEI)  
16/151 Muang Thong Thani, Bond Street,  
Pakkred, Nonthaburi 11120 THAILAND  
Tel: +66 2 503 3333 Fax: +66 2 504 4826-8  
E-mail: [info@tei.or.th](mailto:info@tei.or.th) Website: [www.tei.or.th](http://www.tei.or.th)

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