

# รายงานการเงิน

## Financial Statements

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THAILAND ENVIRONMENT FOUNDATION  
STATUTORY FINANCIAL STATEMENTS  
31 DECEMBER 2008

**AUDITOR'S REPORT**

To the Board of Directors of Thailand Environment Foundation

I have audited the accompanying balance sheet as at 31 December 2008, and the related statements of revenues and expenditures and changes in fund balances for the year then ended of Thailand Environment Foundation. The Foundation's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of Thailand Environment Foundation for the year ended 31 December 2007, presented herewith for comparative purposes, were audited by another auditor of the same firm as myself, whose report dated 22 April 2008, expressed an unqualified opinion on those statements.

I conducted my audit 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 audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2008, and the revenues and expenditures for the year then ended of Thailand Environment Foundation in accordance with generally accepted accounting principles.

Sukhumaporn Wong-ariyaporn  
Certified Public Accountant (Thailand) No. 4843  
PricewaterhouseCoopers ABAS Limited

Bangkok  
20 April 2009

**Thailand Environment Foundation**  
**Balance Sheets**  
**As at 31 December 2008 and 2007**

		2008				2007
		Operating fund Baht	Sponsored program fund Baht	Capital and reserve funds Baht	Total all funds Baht	Total all funds Baht
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	4	22,165,276	15,486,131	11,577,937	49,229,344	62,299,751
Short-term investments	5	40,407,323	10,939,496	41,641,330	92,988,149	61,460,153
Restricted cash	6	696,000	-	-	696,000	3,698,492
Sponsorship receivables		390	9,177,821	-	9,178,211	18,787,726
Funds receivable		-	1,006,209	2,346,318	3,352,527	12,569,268
Other current assets		661,560	1,634,560	1,503,297	3,799,417	6,522,465
<b>Total current assets</b>		<b>63,930,549</b>	<b>38,244,217</b>	<b>57,068,882</b>	<b>159,243,648</b>	<b>165,337,855</b>
<b>Non-current assets</b>						
Government bond	7	-	-	12,000,000	12,000,000	12,000,000
Intangible assets, net	8	55,678	92,643	-	148,321	238,670
Property, building and equipment, net	9	42,818,031	1,580,858	-	44,398,889	37,628,093
<b>Total non-current assets</b>		<b>42,873,709</b>	<b>1,673,501</b>	<b>12,000,000</b>	<b>56,547,210</b>	<b>49,866,763</b>
<b>Total assets</b>		<b>106,804,258</b>	<b>39,917,718</b>	<b>69,068,882</b>	<b>215,790,858</b>	<b>215,204,618</b>
<b>Liabilities and fund balances</b>						
<b>Current liabilities</b>						
Advances received from sponsors		1,243,105	30,641,993	-	31,885,098	28,391,975
Accounts payable		780,422	600,250	57,671	1,438,343	2,282,639
Accrued expenses		978,992	3,030,471	128,966	4,138,429	7,351,023
Funds payable		3,352,527	-	-	3,352,527	12,569,268
<b>Total current liabilities</b>		<b>6,355,046</b>	<b>34,272,714</b>	<b>186,637</b>	<b>40,814,397</b>	<b>50,594,905</b>
<b>Fund balances</b>						
Unrestricted funds		100,449,212	-	18,995,992	119,445,204	114,266,779
Restricted funds	10	-	5,645,004	49,886,253	55,531,257	50,342,934
<b>Total fund balances</b>		<b>100,449,212</b>	<b>5,645,004</b>	<b>68,882,245</b>	<b>174,976,461</b>	<b>164,609,713</b>
<b>Total liabilities and fund balances</b>		<b>106,804,258</b>	<b>39,917,718</b>	<b>69,068,882</b>	<b>215,790,858</b>	<b>215,204,618</b>

The notes to the financial statements on pages 45 to 51 are an integral part of the financial statements.

**Thailand Environment Foundation**  
**Balance Sheets**  
**As at 31 December 2008 and 2007**

		2008			2007
		Operating fund Baht	Sponsored program fund Baht	Capital and reserve funds Baht	Total all funds Baht
<b>Revenues</b>					
Sponsorships for research activities		613,315	109,399,586	25,001	110,037,902
Membership fee income		29,900	6,949,422	-	6,979,322
Other income	11	2,903,307	1,664,445	2,578,095	7,145,847
<b>Total revenues</b>		<b>3,546,522</b>	<b>118,013,453</b>	<b>2,603,096</b>	<b>124,163,071</b>
<b>Expenditures</b>					
Salaries and related staff costs		15,133,013	24,833,426	1,573,477	41,539,916
Sub-contracts for researches		169,671	14,805,408	202,811	15,177,890
Rental expense		91,148	3,072,826	54,781	3,218,755
Utility and communication expenses		1,628,650	2,063,015	106,841	3,798,506
Travelling and related costs		212,877	10,214,636	132,555	10,560,068
Meeting and seminar expenses		566,249	10,552,805	292,739	11,411,793
Publication expense		287,215	4,519,278	307,748	5,114,241
Promotional materials		257,330	2,539,660	21,836	2,818,826
Library expense		1,166,687	44,095	270	1,211,052
Stationery supplies		841,067	994,600	98,114	1,933,781
Bank charges and duty stamps		117,786	203,103	30	320,919
Professional consulting and audit fees		346,794	94,521	-	441,315
Media expenses		-	99,692	-	99,692
Field expenses		-	152,460	-	152,460
Amortisation and depreciation charge	8, 9	3,348,190	1,102,097	-	4,450,287
Contributions for project activities		160,855	8,450,702	15,000	8,626,557
Miscellaneous expenses		1,546,041	1,225,291	148,932	2,920,264
<b>Total expenditures</b>		<b>25,873,573</b>	<b>84,967,615</b>	<b>2,955,134</b>	<b>113,796,322</b>
<b>Excess of revenues over (under) expenditures</b>		<b>(22,327,051)</b>	<b>33,045,838</b>	<b>(352,038)</b>	<b>10,366,749</b>

The notes to the financial statements on pages 45 to 51 are an integral part of the financial statements.

**Thailand Environment Foundation**  
**Balance Sheets**  
**As at 31 December 2008 and 2007**

		2008			2007
		Operating fund Baht	Sponsored program fund Baht	Capital and reserve funds Baht	Total all funds Baht
Note					
<b>Fund balances brought forward</b>		95,186,964	2,435,231	66,987,518	164,609,713
Excess of revenues over (under) expenditures		(22,327,051)	33,045,838	(352,038)	10,366,749
Fund transfers					
- completed projects	12	27,589,299	(29,836,064)	2,246,765	-
<b>Fund balances carried forward</b>		100,449,212	5,645,005	68,882,245	174,976,462
					164,609,713

The notes to the financial statements on pages 45 to 51 are an integral part of the financial statements.

**Thailand Environment Foundation**  
**Notes to the Financial Statements**  
**For the years ended 31 December 2008 and 2007**

**1 General information**

Thailand Environment Foundation (“the Foundation”) was established on 24 February 1993 as a non-profit making organisation and aims at playing a catalytic role in promoting close cooperation among government, private sector, and a coalition of NGOs, medias and academia. The Foundation conducts policy research and action-oriented research for protection of the environment and promoting 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.

The financial statements for the year ended 31 December 2008 have been approved by the Foundation’s Board of Directors on 20 April 2009.

**2 Accounting policies**

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

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, designated as applicable to non-public companies.

The Foundation has chosen not to apply Thai Accounting Standards No. 25, “Statements of Cash Flows”, No. 47, “Related Party Disclosures”, and No. 48, “Financial Instruments: Disclosure and Presentation”. The application of these accounting standards are not mandatory for non-public companies that is in accordance with the notification which is complied with the Accounting Profession Act B.E. 2547.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make 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 amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the financial statements have been prepared from the statutory financial statements that are in Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## 2 Accounting policies (Cont'd)

### 2.2 New accounting standard and amendments to accounting standards

During 2007 and 2008, the Federation of Accounting Profession (“FAP”) has announced new standard and amendments to Thai Accounting Standard (“TAS”) as follows:

#### Revised standards

- TAS 25 “Cash Flow Statements”
- TAS 29 “Leases”
- TAS 31 “Inventories”
- TAS 33 “Borrowing Cost”
- TAS 35 “Presentation of Financial Statements”
- TAS 39 “Accounting Policies, Changes in Accounting Estimates and Errors”
- TAS 41 “Interim Financial Reporting”
- TAS 43 “Business Combination”
- TAS 49 “Construction Contracts”

#### New standard

- TAS 51 “Intangible Assets”

The amendments to accounting standards and the new accounting standard are effective for the period beginning on or after 1 January 2008 except TAS 29 “Leases” which is effective for the lease contract started on or after 1 January 2008.

The revised standards and new standard do not have significant impact on the financial statements being presented.

Standards that are effective for the period beginning on or after 1 January 2009 and have not early adopted by the Foundation.

- TAS 36 “Impairment of Assets”
- TAS 54 “Non-current Assets Held for Sale and Discontinued Operations”

Those two standards are not expected to have a material impact on the financial statements being presented.

### 2.3 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 purposes of the funds maintained by the Foundation are as follows:

**Operating fund:** represents funds available for general operating purposes. The operating fund is supported by approximately 30% of gross revenues from the sponsored program fund.

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

## 2 Accounting policies (Cont'd)

### 2.3 Fund accounting (Cont'd)

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

**Reserve fund:** represents funds derived from contributions received from various sources and are accumulated as a reserve for future uses. Commencing from 1 January 1996, interest income derived from the reserve fund has been included in the reserve fund.

### 2.4 Revenues and expenditures

The financial statements of the Foundation have been prepared on an accrual basis. Sponsorships are recorded as revenues when due. Sponsorship income on a cost reimbursement program is recognised as income when direct contract costs are incurred. When sponsorships received exceed the income recognised for the year, the net balance is presented as advances received from sponsors, and vice versa, the net balance is presented as sponsorship receivables.

Membership fee income is recognised when due. Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity.

The Foundation recognises expenditures on an accrual basis.

### 2.5 Intangible asset

Expenditure on acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Those costs are amortised over their estimated useful lives of 3 years.

### 2.6 Property, building and equipment

Property, building and equipment are stated at historical cost less accumulated depreciation, except for land which is not depreciated.

Depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over the estimated useful life as follows:

Buildings and building improvements	5 and 20 years
Furniture and office equipment	3 and 5 years
Motor vehicles	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property and equipment are determined by comparing proceeds with the carrying amounts and are included in revenues or expenditures.



## 2 Accounting policies (Cont'd)

### 2.6 Property, building and equipment (Cont'd)

Repairs and maintenance are charged to the statement of revenues and expenditures during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Foundation. Major renovations are depreciated over the remaining useful life of the related asset.

### 2.7 Provisions

Provisions, which exclude the provisions relating to employee benefits, are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Foundation expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

## 3 Critical accounting estimates and judgements

Estimate, assumption and judgement are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstance.

During 2008, the Foundation made estimation relating to useful life of asset and judgement made on residual values for the property and equipment including intangible assets. However, the Foundation's management assessed and determined that there is no significant risk of causing a material adjustment to the carrying amount of asset from the estimation and judgement.

## 4 Cash and cash equivalents

	<b>2008</b> <b>Baht</b>	<b>2007</b> <b>Baht</b>
Cash on hand	205	-
Deposits held at call with banks	21,850,419	32,782,659
Fixed deposits with maturity periods within three months	<u>27,378,720</u>	<u>29,517,092</u>
Total deposits at banks	<u>49,229,344</u>	<u>62,299,751</u>

As at 31 December 2008, deposits held at call with banks and fixed deposits carry interest at the rates of 0.75% per annum, and between 1.63% per annum and 3.25% per annum, respectively (2007 : 0.75% per annum, and between 1.75% per annum and 2.50% per annum, respectively).

## 5 Short-term investments

	<b>2008</b> <b>Baht</b>	<b>2007</b> <b>Baht</b>
Fixed deposits with maturity periods more than three months	92,988,149	61,460,153

As at 31 December 2008, fixed deposits carry interest at the rates between 3.50% per annum and 4.00% per annum (2007 : 2.00% per annum and 4.75% per annum).

## 6 Restricted cash

The Foundation has pledged the fixed deposits with local banks as collateral for letters of bank guarantee issued by the local banks in respect of the research and field projects (Note 13).

## 7 Government bond

As at 31 December 2008 and 2007, government bond represents an investment in four-year saving bonds issue by the Bank of Thailand carrying interest at the rate of 4.25% per annum.

## 8 Intangible assets, net

	Operating fund Baht	Sponsored program fund Baht	Total Baht
<b>As at 31 December 2007</b>			
Cost	689,615	300,459	990,074
<u>Less</u> Accumulated amortisation	<u>(592,703)</u>	<u>(158,701)</u>	<u>(751,404)</u>
Net book amount	<u>96,912</u>	<u>141,758</u>	<u>238,670</u>
<b>Year ended 31 December 2008</b>			
Opening net book amount	96,912	141,758	238,670
Amortisation charge	<u>(41,234)</u>	<u>(49,115)</u>	<u>(90,349)</u>
Closing net book amount	<u>55,678</u>	<u>92,643</u>	<u>148,321</u>
<b>As at 31 December 2008</b>			
Cost	689,615	300,459	990,074
<u>Less</u> Accumulated amortisation	<u>(633,937)</u>	<u>(207,816)</u>	<u>(841,753)</u>
Net book amount	<u>55,678</u>	<u>92,643</u>	<u>148,321</u>

## 9 Property, building and equipment, net

### Operating fund

	Land Baht	Buildings and building improvements Baht	Furniture and office equipment Baht	Motor vehicles Baht	Assets under installation Baht	Total Baht
<b>As at 31 December 2007</b>						
Cost	9,569,200	30,643,053	11,460,552	890,661	-	52,563,466
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(6,523,776)</u>	<u>(9,502,786)</u>	<u>(776,898)</u>	<u>-</u>	<u>(16,803,460)</u>
Net book amount	<u>9,569,200</u>	<u>24,119,277</u>	<u>1,957,766</u>	<u>113,763</u>	<u>-</u>	<u>35,760,006</u>
<b>For the year ended 31 December 2008</b>						
Opening net book amount	9,569,200	24,119,277	1,957,766	113,763	-	35,760,006
Additions	-	1,913,031	1,755,778	1,196,700	5,500,000	10,365,509
Reclassification	-	(8,465)	8,465	-	-	-
Disposal	-	(89)	(438)	(1)	-	(528)
Depreciation charge	<u>-</u>	<u>(1,841,386)</u>	<u>(1,268,149)</u>	<u>(197,421)</u>	<u>-</u>	<u>(3,306,956)</u>
Closing net book amount	<u>9,569,200</u>	<u>24,182,368</u>	<u>2,453,422</u>	<u>1,113,041</u>	<u>5,500,000</u>	<u>42,818,031</u>
<b>As at 31 December 2008</b>						
Cost	9,569,200	32,986,140	10,469,858	1,701,847	5,500,000	60,227,045
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(8,803,772)</u>	<u>(8,016,436)</u>	<u>(588,806)</u>	<u>-</u>	<u>(17,409,014)</u>
Net book amount	<u>9,569,200</u>	<u>24,182,368</u>	<u>2,453,422</u>	<u>1,113,041</u>	<u>5,500,000</u>	<u>42,818,031</u>

## 9 Property, building and equipment, net (Cont'd)

### Sponsored program fund

	<b>Furniture and office equipment Baht</b>	<b>Motor vehicles Baht</b>	<b>Total Baht</b>
<b>As at 31 December 2007</b>			
Cost	17,709,012	5,179,626	22,888,638
<u>Less</u> Accumulated depreciation	<u>(15,896,499)</u>	<u>(5,124,052)</u>	<u>(21,020,551)</u>
Net book amount	<u>1,812,513</u>	<u>55,574</u>	<u>1,868,087</u>
<b>For the year ended 31 December 2008</b>			
Opening net book amount	1,812,513	55,574	1,868,087
Additions	767,576	-	767,576
Disposals	(1,823)	-	(1,823)
Depreciation charge	<u>(1,006,952)</u>	<u>(46,030)</u>	<u>(1,052,982)</u>
Closing net book amount	<u>1,571,314</u>	<u>9,544</u>	<u>1,580,858</u>
<b>As at 31 December 2008</b>			
Cost	11,582,747	5,179,626	16,762,373
<u>Less</u> Accumulated depreciation	<u>(10,011,433)</u>	<u>(5,170,082)</u>	<u>(15,181,515)</u>
Net book amount	<u>1,571,314</u>	<u>9,544</u>	<u>1,580,858</u>

Equipment of the sponsored program fund is the equipment acquired for specific projects and available to be used by the Foundation at the completion of the projects except the respective sponsors specify for other particular purposes.

As at 31 December 2008, the original cost of fully depreciated property and equipment that are still in use is amounting to Baht 19,183,564 (2007 : Baht 23,844,891).

## 10 Capital and reserve fund balances - restricted

	<b>2008 Baht</b>	<b>2007 Baht</b>
Capital fund	29,903,590	26,300,493
Reserve for building improvement fund	3,366,938	5,004,105
Reserve for staff educational fund	6,832,724	6,994,581
Reserve for staff medical welfare fund	1,040,082	1,450,801
Reserve for social services fund	7,120,608	6,194,515
Reserve for publication and communication fund	<u>1,622,311</u>	<u>1,963,208</u>
Total	<u>49,886,253</u>	<u>47,907,703</u>

### Reserve for building improvement fund

The Foundation has established a reserve for building improvement fund since 2004. An appropriate amount of which is allocated from the operating fund.

## 10 Capital and reserve fund balances - restricted (Cont'd)

### Reserve for staff educational fund

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

### Reserve for staff medical welfare fund

The Foundation established a reserve for staff medical welfare fund. An appropriate amount of which is allocated from the operating fund.

### Reserve for social services fund

In 2004, the Foundation established an initial fund for social services, which was allocated from the operating fund. Appropriate amounts of additional allocation to the fund are based on the Foundation's consideration.

### Reserve for publication and communication fund

In 2007, the Foundation established a reserve for publication and communication fund. An appropriate amount of which is allocated from unrestricted funds under the capital and reserve fund.

## 11 Other income

	2008				2007
	Operating fund Baht	Sponsored program fund Baht	Capital and reserve funds Baht	Total all funds Baht	Total all funds Baht
Interest income	1,184,985	216,755	2,507,115	3,908,855	3,986,269
Others	1,718,322	1,447,690	70,980	3,236,992	2,460,414
Total other income	2,903,307	1,664,445	2,578,095	7,145,847	6,446,683

## 12 Fund transfers - completed projects

Revenues from the sponsored program fund are allocated to the operating fund at the rates between 10% and 30% of gross revenues. The allocation is made when cash is received.

## 13 Bank guarantee

As at 31 December 2008, there are outstanding letters of bank guarantee issued by local banks on behalf of the Foundation in respect of the research and field projects amounting to Baht 696,000 (2007 : Baht 3,698,492). Fixed deposits (Note 6) are used as collateral for bank guarantee.