

THAILAND ENVIRONMENT INSTITUTE FOUNDATION

FINANCIAL STATEMENTS

31 DECEMBER 2013



AUDITOR'S REPORT

To the Board of Directors of Thailand Environment Institute Foundation

I have audited the accompanying financial statements of Thailand Environment Institute Foundation, which comprise the statement of financial position as at 31 December 2013, and the related statements of revenues and expenditures and changes in fund balances for the year then ended, and a summary of significant accounting policies and other notes.

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 Standards 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thailand Environment Institute Foundation as at 31 December 2013, and its revenues and expenditures for the year then ended in accordance with Thai Financial Reporting Standards for Non-publicly Accountable Entities.

A handwritten signature in blue ink, appearing to read "Chaisiri Ruangritchai".

Chaisiri Ruangritchai
Certified Public Accountant (Thailand) No. 4526
PricewaterhouseCoopers ABAS Ltd.

Bangkok
11 April 2014

Thailand Environment Institute Foundation
Statement of Financial Position
As at 31 December 2013

		2013			2012	
		Operating fund Baht	Sponsored program fund Baht	Capital and reserve funds Baht	Total all funds Baht	Total all funds Baht
Notes						
Assets						
Current assets						
Cash and cash equivalents	3	63,302,354	75,368,032	42,140,622	180,811,008	130,969,710
Short-term investments	4	15,273,748	3,969,264	65,663,950	84,906,962	124,417,165
Trade and other receivables	5	1,951,171	17,245,600	2,542,537	21,739,308	24,667,065
Total current assets		80,527,273	96,582,896	110,347,109	287,457,278	280,053,940
Non-current assets						
Long-term investments	6	-	-	20,000,000	20,000,000	12,000,000
Restricted cash	7	8,112,765	-	-	8,112,765	5,100,000
Property, plant and equipment, net	8	26,464,413	975,314	-	27,439,727	30,294,387
Intangible assets, net	9	827,304	3,721	-	831,025	53,573
Total non-current assets		35,404,482	979,035	20,000,000	56,383,517	47,447,960
Total assets		115,931,755	97,561,931	130,347,109	343,840,795	327,501,900
Liabilities and fund balances						
Current liabilities						
Trade and other payables	10	4,439,765	74,562,354	-	79,002,119	92,341,636
Total current liabilities		4,439,765	74,562,354	-	79,002,119	92,341,636
Non-current liabilities						
Retirement benefit obligations	11	-	-	4,662,398	4,662,398	4,458,507
Total non-current liabilities		-	-	4,662,398	4,662,398	4,458,507
Total liabilities		4,439,765	74,562,354	4,662,398	83,664,517	96,800,143
Fund balances						
Unrestricted funds		111,491,990	-	20,946,143	132,438,133	121,329,046
Restricted funds	12	-	22,999,577	104,738,568	127,738,145	109,372,711
Total fund balances		111,491,990	22,999,577	125,684,711	260,176,278	230,701,757
Total liabilities and fund balances		115,931,755	97,561,931	130,347,109	343,840,795	327,501,900

Director

[Signature]

Director

[Signature]

The notes to the financial statements on pages 6 to 15 are an integral part of the financial statements.

Thailand Environment Institute Foundation
Statement of Revenues and Expenditures
For the year ended 31 December 2013

		2013			2012
		Operating	Sponsored	Capital and	
		fund	program	reserve	Total
		fund	fund	funds	all funds
Notes		Baht	Baht	Baht	Baht
Revenues					
		1,440,000	137,821,343	-	139,261,343
Sponsorships for research activities		-	9,151,720	-	9,151,720
Membership fee income		2,334,316	1,557,988	3,018,613	6,910,917
Other income	13				6,546,412
		3,774,316	148,531,051	3,018,613	155,323,980
Total revenues					169,469,714
Expenditures					
		13,089,843	26,001,698	203,891	39,295,432
Salaries and related staff costs		612,960	22,083,878	-	22,696,838
Sub-contracts for researches		26,284	2,324,839	-	2,351,123
Rental expense		1,048,847	38,071	-	1,086,918
Utility expenses		369,125	1,716,749	-	2,085,874
Communication expenses		137,242	6,932,500	-	7,069,742
Travelling and related costs		997,384	17,739,427	-	18,736,811
Meeting and seminar expenses		603,184	5,004,749	-	5,607,933
Publication expenses		179,800	1,640,526	-	1,820,326
Promotional materials		30,605	70,890	-	101,495
Library expenses		1,219,951	451,505	-	1,671,456
Stationery supplies		102,665	300,317	-	402,982
Bank charges and duty stamps		1,104,443	150,000	-	1,254,443
Professional consulting and audit fees		-	324,574	-	324,574
Media expenses		-	-	-	-
Field expenses		4,540,578	393,263	-	4,933,841
Amortisation and depreciation charges	8,9	52,460	15,063,808	-	15,116,268
Contributions for project activities		809,559	483,844	-	1,293,403
Miscellaneous expenses					3,176,389
		24,924,930	100,720,638	203,891	125,849,459
Total expenditures					135,916,986
Excess of revenues over					
(under) expenditures		(21,150,614)	47,810,413	2,814,722	29,474,521
					33,552,728

The notes to the financial statements on pages 6 to 15 are an integral part of the financial statements.

Thailand Environment Institute Foundation
Statement of Changes in Fund Balances
For the year ended 31 December 2013

	Note	2013			2012
		Operating fund Baht	Sponsored program fund Baht	Capital and reserve funds Baht	Total all funds Baht
Fund balances brought forward		103,955,207	24,822,704	101,923,846	230,701,757
Excess of revenues over (under) expenditures		(21,150,614)	47,810,413	2,814,722	29,474,521
Fund transfers					
- completed projects	14	28,687,397	(49,633,540)	20,946,143	-
Fund balances carried forward		<u>111,491,990</u>	<u>22,999,577</u>	<u>125,684,711</u>	<u>260,176,278</u>
					<u>230,701,757</u>

The notes to the financial statements on pages 6 to 15 are an integral part of the financial statements.

1 General information

Thailand Environment Institute Foundation (formerly 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 Institute 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 have been approved by the Foundation’s Board of Directors on 11 April 2014.

2 Accounting policies

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

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Thai Financial Reporting Standards for Non-publicly Accountable Entities as issued by the Federation of Accounting Professions.

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

An English version of the financial statements has 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 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 generally supported at the rates 30% of gross revenues of the completed projects from the sponsored program fund. In case the general basis of the allocation is not appropriate, the allocation is depended on the judgment of the Foundation’s management. The allocation is made when cash is received (Note 12).

Sponsored program fund: represents 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 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.

2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks but do not include deposits with banks which are held to maturity, and other short-term highly liquid investments with maturities of three months or less from the acquisition date which are not used as collateral.

2.4 Property, plant and equipment

An item of property, plant, and equipment is stated at cost less any accumulated depreciation and any allowance for devaluation (if any).

The cost of an item of property, plant, and equipment comprises its purchase price, import duties and non-refundable purchase taxes (after deducting trade discounts and rebates) and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the initial estimate of costs of dismantling and removing the item, and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period.

2 Accounting policies (Cont'd)

2.4 Property, plant and equipment (Cont'd)

The cost of replacing part of property, plant, and equipment is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the Foundation and the carrying amount of those replaced parts is derecognised. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

The assets' residual value, useful lives, and depreciation method are regularly reviewed.

Whenever there is any indication showing a permanent decrease in the amount of property, plant and equipment; such as an evidence of obsolescence or physical damage of an asset, significant changes in the manner in which an asset is used or is expected to be used, the Foundation shall recognised loss on decrease in value of property, plant and equipment in income statement where the carrying amount of asset is higher than the recoverable amount. The recoverable amount of asset is the higher of its fair value less costs to sell and its value in use.

2.5 Intangible asset

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2 Accounting policies (Cont'd)

2.6 Provisions

Provisions 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.

The Foundation has an obligation under labour law in benefit payable under the plan for employees until retirement date. The maximum amount of obligation shall not exceed the amount of latest salary payable for 10 months. The employees will receive the payment amount at retirement date. The Foundation estimated a provision at the end of reporting period, which calculation is based on current salary reflected by the employee turnover and the proportion of working period of employees and working period until retirement.

2.7 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.

3 Cash and cash equivalents

	2013 Baht	2012 Baht
Cash on hand	205	205
Deposits held at call with banks	180,810,803	130,969,505
Total	<u>180,811,008</u>	<u>130,969,710</u>

4 Short-term investments

	2013	2012
	Baht	Baht
Fixed deposit due within one year	79,906,962	114,417,615
Government bonds due within one year	-	10,000,000
Government Saving Bank's lottery matured within one year	5,000,000	-
Short-term investments, net	<u>84,906,962</u>	<u>124,417,615</u>

As at 31 December 2013, fixed deposits and savings bonds issued by the Bank of Thailand carried interest at the rates between 2.3% - 3.7% per annum and 3.5% per annum, respectively (2012: 2.4% - 3.7% per annum and 3.5% per annum, respectively).

5 Trade and other receivables

	2013	2012
	Baht	Baht
Sponsorship receivables	14,019,787	20,195,378
Funds receivable	640,078	936,769
Advance payments	708,492	1,622,085
Interest receivables	2,066,692	1,470,320
Others	4,304,260	442,513
Total	<u>21,739,309</u>	<u>24,667,065</u>

6 Long-term investments

	2013	2012
	Baht	Baht
Fixed deposit	5,000,000	-
Government Saving Bank's lottery	2,000,000	7,000,000
Government bonds	13,000,000	5,000,000
Long-term investments	<u>20,000,000</u>	<u>12,000,000</u>

As at 31 December 2013, Fixed deposit, Government Saving Bank's lottery and Government bonds issued by the Bank of Thailand carried interest at the rates 3.70%, 2.17% per annum and 3.5% per annum, respectively (2012: 2.5% per annum and 3.0% per annum, respectively).

7 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 15).

Thailand Environment Institute Foundation
Notes to the Financial Statements
For the year ended 31 December 2013

8 Property, plant and equipment, net

Operating fund	Land Baht	Buildings and building improvements Baht	Furniture and office equipment Baht	Motor vehicles Baht	Total Baht
As at 1 January 2013					
Cost	9,569,200	38,533,862	15,595,585	1,701,847	65,400,494
Less Accumulated depreciation	-	(20,826,304)	(13,481,740)	(1,558,898)	(35,866,942)
Net book amount	9,569,200	17,707,558	2,113,845	142,949	29,533,552
For the year ended 31 December 2013					
Opening net book amount	9,569,200	17,707,558	2,113,845	142,949	29,533,552
Additions	-	69,238	1,372,368	-	1,441,606
Disposal	-	-	(20,735)	(1)	(20,736)
Depreciation charge	-	(2,784,841)	(1,562,492)	(142,676)	(4,490,009)
Closing net book amount	9,569,200	14,991,955	1,902,986	272	26,464,413
As at 31 December 2013					
Cost	9,569,200	38,603,100	15,614,979	1,196,700	64,983,979
Less Accumulated depreciation	-	(23,611,145)	(13,711,993)	(1,196,428)	(38,519,566)
Net book amount	9,569,200	14,991,955	1,902,986	272	26,464,413

8 Property, plant and equipment, net (Cont'd)

Sponsored program fund	Furniture and office equipment Baht	Motor vehicles Baht	Construction in progress	Total Baht
As at 1 January 2013				
Cost	12,607,524	5,217,626	-	17,825,150
<u>Less</u> Accumulated depreciation	<u>(11,856,840)</u>	<u>(5,207,475)</u>	-	<u>(17,064,315)</u>
Net book amount	<u>750,684</u>	<u>10,151</u>	-	<u>760,835</u>
For the year ended 31 December 2013				
Opening net book amount	750,684	10,151	-	760,835
Additions	286,324	38,643	311,813	636,780
Disposal	(1,853)	(272)	-	(2,125)
Depreciation charge	<u>(405,176)</u>	<u>(15,000)</u>	-	<u>(420,176)</u>
Closing net book amount	<u>629,979</u>	<u>33,522</u>	<u>311,813</u>	<u>975,314</u>
As at 31 December 2013				
Cost	10,347,467	4,410,080	311,813	15,069,360
<u>Less</u> Accumulated depreciation	<u>(9,717,488)</u>	<u>(4,376,558)</u>	-	<u>(14,094,046)</u>
Net book amount	<u>629,979</u>	<u>33,522</u>	<u>311,813</u>	<u>975,314</u>

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

Thailand Environment Institute Foundation
Notes to the Financial Statements
For the year ended 31 December 2013

9 Intangible assets, net

	Operating fund			Sponsored program	
	Computer software Baht	Software under installation Baht	Total Baht	Computer software Baht	Total Baht
As at 1 January					
Cost	744,946	-	744,946	359,272	1,104,218
<u>Less Accumulated amortisation</u>	(713,113)	-	(713,113)	(337,532)	(1,050,645)
Net book amount	31,833	-	31,833	21,740	53,573
Year ended 31 December					
Opening net book amount	31,833	-	31,833	21,740	53,573
Additions	92,983	746,499	836,482	-	839,482
Amortisation charge	(44,011)	-	(44,011)	(18,019)	(62,030)
Closing net book amount	80,805	746,499	827,304	3,721	831,025
As at 31 December					
Cost	837,929	746,499	1,584,428	359,272	1,943,700
<u>Less Accumulated amortisation</u>	(757,124)	-	(757,124)	(355,551)	(1,112,675)
Net book amount	80,805	746,499	827,304	3,721	831,025

Thailand Environment Institute Foundation
Notes to the Financial Statements
For the year ended 31 December 2013

10 Trade and other payables

	2013 Baht	2012 Baht
Advances received from sponsors	68,744,309	80,547,865
Fund payable	640,078	936,769
Accrued expenses	6,909,128	9,801,828
Other payables	2,708,604	1,055,174
Total	<u>79,002,119</u>	<u>92,341,636</u>

11 Retirement benefit obligations

	2013 Baht	2012 Baht
Opening balance	4,458,507	7,421,309
Increase during the year	203,891	-
Benefits paid	-	(1,129,460)
Decrease during the year	-	(1,833,342)
Ending balance	<u>4,662,398</u>	<u>4,458,507</u>

12 Capital and reserve fund balances - restricted

	2013 Baht	2012 Baht
Capital fund	120,684,710	79,550,007
Reserve for cash flow fund	5,000,000	5,000,000
Total	<u>125,684,711</u>	<u>84,550,007</u>

Reserve for retirement benefit obligations fund

The Foundation established a reserve for retirement benefit obligations fund. An appropriate amount of which is based on current salary reflected by the employee turnover and the proportion of working period of employees and working period until retirement (Note 2.6).

Reserve for cash flow fund

The Foundation established a reserve for cash flow fund. An appropriate amount of which is allocated from the operating fund.

13 Other income

	2013			2012	
	Operating fund Baht	Sponsored program fund Baht	Capital and reserve funds Baht	Total all funds Baht	Total all funds Baht
Interest income	1,825,597	759,993	2,927,913	5,513,503	5,344,039
Others	508,719	797,995	90,700	1,397,414	1,202,373
Total other income	2,334,316	1,557,988	3,018,613	6,910,917	6,546,412

14 Fund transfers - completed project

Excess of revenues over expenditure of the completed projects from the sponsored program fund are allocated to the operating fund and capital and reserve funds at the rate of 30% of gross revenues. In case the general basis of the allocation is not appropriate, the allocation is depended on the judgment of the Foundation's management. The allocation is made when cash is received.

15 Contingent liabilities and commitments

Contingent liabilities in respect of bank guarantees

As at 31 December 2013, the Foundation has contingent liabilities in respect of bank guarantees arising in the ordinary course of operating activity amounting to Baht 2,986,480 (2012: Baht 5,100,000). It is anticipated that no material liabilities will arise from the contingent liabilities. The letter of guarantee is collateralised by the pledge of the Foundation's fixed deposits.

Operating lease commitment - where the Foundation is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2013 Baht	2012 Baht
Not later than 1 year	540,000	540,000
Later than 1 year but not later than 5 years	360,000	900,000
	900,000	1,440,000