

THAILAND ENVIRONMENT INSTITUTE FOUNDATION

FINANCIAL STATEMENTS

31 DECEMBER 2014



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 2014, 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 2014, 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".

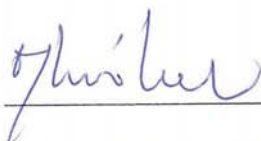
Chaisiri Ruangritchai
Certified Public Accountant (Thailand) No. 4526
PricewaterhouseCoopers ABAS Ltd.

Bangkok
16 April 2015

Thailand Environment Institute Foundation
Statement of Financial Position
As at 31 December 2014

	Notes	2014			2013	
		Operating	Sponsored	Capital and	Total	Total
		fund	program	reserve	all funds	all funds
		Baht	Baht	Baht	Baht	Baht
Assets						
Current assets						
Cash and cash equivalents	3	34,661,338	41,611,598	5,326,817	81,599,753	180,811,008
Short-term investments	4	49,107,949	3,188,678	104,919,184	157,215,811	84,906,962
Trade and other receivables	5	2,436,584	7,549,948	2,082,393	12,068,925	21,739,308
Total current assets		86,205,871	52,350,224	112,328,394	250,884,489	287,457,278
Non-current assets						
Long-term investments	6	-	26,643,117	31,251,624	57,894,741	20,000,000
Restricted cash	7	100,000	5,000,000	-	5,100,000	8,112,765
Property, plant and equipment, net	8	27,261,951	861,030	-	28,122,981	27,439,727
Intangible assets, net	9	630,097	631	-	630,728	831,025
Total non-current assets		27,992,048	32,504,778	31,251,624	91,748,450	56,383,517
Total assets		114,197,919	84,855,002	143,580,018	342,632,939	343,840,795
Liabilities and fund balances						
Current liabilities						
Trade and other payables	10	2,705,929	62,781,628	756,698	66,244,255	79,002,119
Total current liabilities		2,705,929	62,781,628	756,698	66,244,255	79,002,119
Non-current liabilities						
Retirement benefit obligations	11	-	-	4,081,315	4,081,315	4,662,398
Total non-current liabilities		-	-	4,081,315	4,081,315	4,662,398
Total liabilities		2,705,929	62,781,628	4,838,013	70,325,570	83,664,517
Fund balances						
Unrestricted funds		111,491,990	-	10,631,353	122,123,343	132,438,133
Restricted funds	12	-	22,073,374	128,110,652	150,184,026	127,738,145
Total fund balances		111,491,990	22,073,374	138,742,005	272,307,369	260,176,278
Total liabilities and fund balances		114,197,919	84,855,002	143,580,018	342,632,939	343,840,795

Director



Director



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 2014

		2014			2013
		Operating fund	Sponsored program fund	Capital and reserve funds	Total all funds
	Notes	Baht	Baht	Baht	Baht
Revenues					
Sponsorships for research activities		392,156	111,850,334	-	112,242,490
Membership fee income		1,500	8,863,576	-	8,865,076
Other income	13	2,302,362	934,549	3,059,108	6,296,019
Total revenues		2,696,018	121,648,459	3,059,108	127,403,585
Expenditures					
Salaries and related staff costs		12,877,538	22,202,674	633,167	35,713,379
Sub-contracts for researches		1,318,637	16,789,459	-	18,108,096
Rental expense		81,081	1,332,738	-	1,413,819
Utility expenses		1,142,726	12,367	-	1,155,093
Communication expenses		352,270	1,640,484	-	1,992,754
Travelling and related costs		173,214	6,864,157	-	7,037,371
Meeting and seminar expenses		627,418	13,693,026	-	14,320,444
Publication expenses		149,402	3,948,269	-	4,097,671
Promotional materials		181,134	1,530,357	-	1,711,491
Library expenses		26,551	96,951	-	123,502
Stationery supplies		1,746,532	316,540	-	2,063,072
Bank charges and duty stamps		545,707	1,726,746	-	2,272,453
Professional consulting and audit fees		661,416	176,500	-	837,916
Amortisation and depreciation charges	8,9	2,879,607	406,124	-	3,285,731
Contributions for project activities		247,421	18,691,812	-	18,939,233
Miscellaneous expenses		1,827,286	373,183	-	2,200,469
Total expenditures		24,837,940	89,801,387	633,167	115,272,494
Excess of revenues over (under) expenditures		(22,141,922)	31,847,072	2,425,941	12,131,091
					29,474,521

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 2014

	Note	2014			2013
		Operating	Sponsored	Capital and	Total
		fund	program	reserve	all funds
		Baht	Baht	Baht	Baht
Fund balances brought forward		111,491,990	22,999,577	125,684,711	260,176,278
Excess of revenues over (under) expenditures		(22,141,922)	31,847,072	2,425,941	12,131,091
Fund transfers					
- completed projects	14	22,141,922	(32,773,275)	10,631,353	-
Fund balances carried forward		<u>111,491,990</u>	<u>22,073,374</u>	<u>138,742,005</u>	<u>272,307,369</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 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 16 April 2015.

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-language 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

	2014	2013
	Baht	Baht
Cash on hand	1,950	205
Deposits held at call with banks	81,597,803	180,810,803
Total	<u>81,599,753</u>	<u>180,811,008</u>

Thailand Environment Institute Foundation
Notes to the Financial Statements
For the year ended 31 December 2014

4 Short-term investments

	2014	2013
	Baht	Baht
Fixed deposit due within one year	155,215,811	79,906,962
Government Saving Bank's lottery matured within one year	2,000,000	5,000,000
Short-term investments, net	<u>157,215,811</u>	<u>84,906,962</u>

As at 31 December 2014, fixed deposits and Government Saving Bank's lottery carried interest at the rates between 1.70% - 3.10% per annum and 2.17% per annum, respectively (2013: 2.30% - 3.70% per annum and 3.50% - 3.75% per annum, respectively).

5 Trade and other receivables

	2014	2013
	Baht	Baht
Sponsorship receivables	6,106,172	14,019,787
Funds receivable	2,257,956	640,078
Advance payments	846,871	708,492
Interest receivables	1,854,497	2,066,691
Others	1,003,429	4,304,260
Total	<u>12,068,925</u>	<u>21,739,308</u>

6 Long-term investments

	2014	2013
	Baht	Baht
Fixed deposit	37,894,741	5,000,000
Government Saving Bank's lottery	5,000,000	2,000,000
Government bonds	15,000,000	13,000,000
Long-term investments	<u>57,894,741</u>	<u>20,000,000</u>

As at 31 December 2014, Fixed deposit, Government Saving Bank's lottery and Government bonds issued by the Bank of Thailand carried interest at the rates 2.80% - 3.50% per annum, 2.25% per annum and 3.50% - 6.00% per annum, respectively (2013: 3.70% per annum, 2.17% per annum, and 3.5% 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 2014

8 Property, plant and equipment, net

Operating fund	Land Baht	Buildings and building improvements Baht	Furniture and office equipment Baht	Motor vehicles Baht	Construction in progress Baht	Total Baht
As at 1 January 2014						
Cost	9,569,200	38,603,100	15,614,979	1,196,700	-	64,983,979
<u>Less Accumulated depreciation</u>	-	(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
For the year ended 31 December 2014						
Opening net book amount	9,569,200	14,991,955	1,902,986	272	-	26,464,413
Additions	-	-	246,182	-	3,089,335	3,335,517
Disposal	-	-	(603)	-	-	(603)
<u>Depreciation charge</u>	-	(1,523,555)	(1,013,821)	-	-	(2,537,376)
Closing net book amount	9,569,200	13,468,400	1,134,744	272	3,089,335	27,261,951
As at 31 December 2014						
Cost	9,569,200	38,603,100	14,730,297	1,196,700	3,089,335	67,188,632
<u>Less Accumulated depreciation</u>	-	(25,134,700)	(13,595,553)	(1,196,428)	-	(39,926,681)
Net book amount	9,569,200	13,468,400	1,134,744	272	3,089,335	27,261,951

Thailand Environment Institute Foundation
Notes to the Financial Statements
For the year ended 31 December 2014

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

Sponsored program fund	Buildings and building improvements Baht	Furniture and office equipment Baht	Motor vehicles Baht	Construction in progress Baht	Total Baht
As at 1 January 2014					
Cost	-	10,347,467	4,410,080	311,813	15,069,360
Less Accumulated depreciation	-	(9,717,488)	(4,376,558)	-	(14,094,046)
Net book amount	-	629,979	33,522	311,813	975,314
For the year ended 31 December 2014					
Opening net book amount	-	629,979	33,522	311,813	975,314
Additions	-	114,597	-	225,235	339,832
Disposal	-	(51,082)	-	-	(51,082)
Transfer in (out)	537,048	-	-	(537,048)	-
Depreciation charge	(90,411)	(297,622)	(15,001)	-	(403,034)
Closing net book amount	446,637	395,872	18,521	-	861,030
As at 31 December 2014					
Cost	537,048	8,682,842	4,335,937	-	13,555,827
Less Accumulated depreciation	(90,411)	(8,286,970)	(4,317,416)	-	(12,694,797)
Net book amount	446,637	395,872	18,521	-	861,030

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 2014

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 2014					
Cost	837,929	746,499	1,584,428	359,272	1,943,700
Less Accumulated amortisation	(757,124)	-	(757,124)	(355,551)	(1,112,675)
Net book amount	80,805	746,499	827,304	3,721	831,025
Year ended 31 December 2014					
Opening net book amount	80,805	746,499	827,304	3,721	831,025
Additions	-	145,025	145,025	-	145,025
Transfer in (out)	891,524	(891,524)	-	-	-
Amortisation charge	(342,232)	-	(342,232)	(3,090)	(345,322)
Closing net book amount	630,097	-	630,097	631	630,728
As at 31 December 2014					
Cost	1,729,453	-	1,729,453	359,272	2,088,725
Less Accumulated amortisation	(1,099,356)	-	(1,099,356)	(358,641)	(1,457,997)
Net book amount	630,097	-	630,097	631	630,728

Thailand Environment Institute Foundation
Notes to the Financial Statements
For the year ended 31 December 2014

10 Trade and other payables

	2014	2013
	Baht	Baht
Advances received from sponsors	56,484,298	68,744,309
Fund payable	2,257,956	640,078
Accrued expenses	6,720,295	6,909,128
Other payables	781,706	2,708,604
Total	<u>66,244,255</u>	<u>79,002,119</u>

11 Retirement benefit obligations

	2014	2013
	Baht	Baht
Opening balance	4,662,398	4,458,507
Increase during the year	633,167	203,891
Benefits paid	(1,214,250)	-
Ending balance	<u>4,081,315</u>	<u>4,662,398</u>

12 Capital and reserve fund balances - Restricted

	2014	2013
	Baht	Baht
Capital fund	119,029,337	95,076,170
Reserve for retirement benefit obligations fund	4,081,315	4,662,398
Reserve for cash flow fund	5,000,000	5,000,000
Total	<u>128,110,652</u>	<u>104,738,568</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 and Note 11).

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

	2014			2013	
	Operating fund Baht	Sponsored program fund Baht	Capital and reserve funds Baht	Total all funds Baht	Total all funds Baht
Interest income	1,975,089	577,880	2,878,808	5,431,777	5,513,503
Others	327,273	356,669	180,300	864,242	1,397,414
Total other income	<u>2,302,362</u>	<u>934,549</u>	<u>3,059,108</u>	<u>6,296,019</u>	<u>6,910,917</u>

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 2014, the Foundation has contingent liabilities in respect of bank guarantees arising in the ordinary course of operating activity amounting to Baht 2,989,981 (2013: Baht 2,986,480). 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 operating leases are as follows:

	2014 Baht	2013 Baht
Not later than 1 year	387,560	540,000
Later than 1 year but not later than 5 years	-	360,000
	<u>387,560</u>	<u>900,000</u>