

FRANCO-THAI CHAMBER OF COMMERCE
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2019



Consultant Limited

บริษัท วีเอเอส คอนซัลแตนท์ จำกัด

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INDEPENDENT AUDITOR'S REPORT

To the Board of Counsellor and Members of
Franco-Thai Chamber of Commerce

Opinion

We have audited the financial statements of Franco-Thai Chamber of Commerce, which comprise the statement of financial position as at 31 December 2019, and the statement of revenues and expenses, and statement of changes in members' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Franco-Thai Chamber of Commerce as at 31 December 2019, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Since Franco-Thai Chamber of Commerce is a chamber which operates not for profit, therefore modifications have been made to the recognition for transactions and the reporting in the financial statements to make them appropriate to a non-profit organization.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Chamber in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Chamber's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Chamber or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Chamber's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chamber's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Chamber to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Viroj Chalermratana
Certified Public Accountant (Thailand) No. 4449
VAS Consultant Limited

Bangkok
6 February 2020

FRANCO-THAI CHAMBER OF COMMERCE

STATEMENTS OF FINANCIAL POSITION

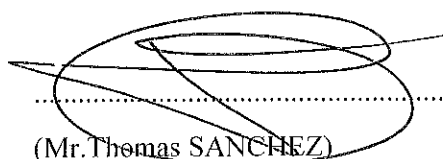
AS AT 31 DECEMBER 2019

(UNIT: BAHT)

ASSETS	NOTE	2019	2018
CURRENT ASSETS			
Cash and cash equivalents	5	7,747,254.07	7,376,484.84
Current investments	6	1,764,934.91	1,749,812.57
Accounts receivable - net	7	4,154,904.43	3,767,974.26
Other current assets	8	1,090,895.06	2,121,295.25
TOTAL CURRENT ASSETS		14,757,988.47	15,015,566.92
NON-CURRENT ASSETS			
Equipment - net	9	1,458,147.70	1,872,469.23
Intangible assets - net	10	164,752.25	207,699.73
Refundable deposits	11	633,300.00	633,300.00
TOTAL NON-CURRENT ASSETS		2,256,199.95	2,713,468.96
TOTAL ASSETS		17,014,188.42	17,729,035.88
LIABILITIES AND MEMBERS' EQUITY			
CURRENT LIABILITIES			
Unearned revenue and advances	12	4,374,923.50	4,823,832.78
Other current liabilities	13	3,985,076.16	3,429,560.50
TOTAL CURRENT LIABILITIES		8,359,999.66	8,253,393.28
NON-CURRENT LIABILITIES			
Reserve for employee benefits	14	1,650,000.00	1,500,000.00
TOTAL NON-CURRENT LIABILITIES		1,650,000.00	1,500,000.00
TOTAL LIABILITIES		10,009,999.66	9,753,393.28
MEMBERS' EQUITY			
Beginning balance		7,975,642.60	9,267,662.53
Excess of expenses over revenues		(971,453.84)	(1,292,019.93)
Ending balance		7,004,188.76	7,975,642.60
TOTAL LIABILITIES AND MEMBERS' EQUITY		17,014,188.42	17,729,035.88


The accompanying notes are an integral part of the financial statements

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President

 (Mr. Thomas SANCHEZ)



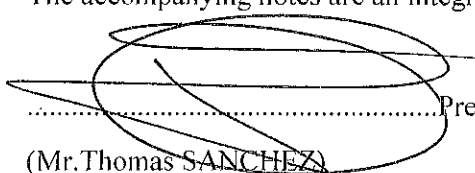
Honorary Treasurer

 (Mr. Chatchawat KRIENGSUNTIKUL)

FRANCO-THAI CHAMBER OF COMMERCE
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2019
(UNIT: BAHT)

REVENUES	<u>NOTE</u>	<u>2019</u>	<u>2018</u>
Membership fees		5,788,654.66	5,559,714.65
Business club activities		351,173.99	393,657.04
Gala dinner		3,308,144.46	3,239,485.04
Bonjour Talent & Bonjour France		3,277,761.35	3,150,943.65
Business Speed Dating		340,656.09	282,430.88
Golf Tournament, Business Forum & Event in Phuket		726,836.91	522,781.40
Business service income	15	5,353,654.01	5,079,696.69
Trade mission and meeting organization		926,120.52	1,320,187.37
Promosalons		3,385,482.23	4,833,400.07
Thai Pavilion at SIAL CHINA		2,419,149.54	1,521,037.41
Special Project -TCELS		781,985.72	-
Advertisements on publication and website		1,120,815.00	950,010.00
Books and other publications		79,800.00	61,800.00
Changes in value of current investments		15,122.34	10,112.80
Interest income		29,168.24	20,635.73
Other income		42,665.15	183,650.48
TOTAL REVENUES		27,947,190.21	27,129,543.21
EXPENSES			
Salary and other employee benefits		12,924,794.72	13,551,563.39
Employee benefit expenses	14	150,000.00	150,000.00
Business club activities		451,932.51	363,919.96
Gala dinner		2,660,350.77	2,398,058.95
Bonjour Talent & Bonjour France		3,430,375.72	2,665,719.84
Business Speed Dating		223,531.30	170,338.67
Golf Tournament, Business Forum & Event in Phuket		733,702.63	559,914.68

The accompanying notes are an integral part of the financial statements


.....President
(Mr. Thomas SANCHEZ)

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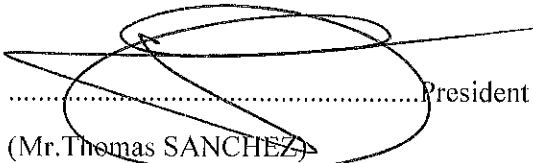
.....Honorary Treasurer
(Mr. Chatchawat KRIENG SONTIKUL)

FRANCO-THAI CHAMBER OF COMMERCE
 STATEMENTS OF REVENUES AND EXPENSES (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019
 (UNIT: BAHT)

	<u>NOTE</u>	<u>2019</u>	<u>2018</u>
EXPENSES (Continued)			
Business service costs		1,449,541.06	1,648,083.33
Trade mission and meeting organization		79,493.03	-
Promosalons		463,133.30	639,555.39
Publications and website		599,456.24	511,641.33
CRM Eudonet Subscription & Service fee		294,856.27	211,400.32
Office premise costs		1,311,973.42	1,312,740.00
Office utilities		328,885.75	311,449.42
Traveling and accommodation		624,719.44	658,401.87
Depreciation and amortization		627,110.89	740,744.64
Repair and maintenance		408,707.80	358,618.22
Professional fees		728,386.00	611,828.00
Stationery, printing and mailing		255,497.45	313,418.54
Membership and subscription		319,202.46	372,125.55
Entertainment and meeting		193,475.38	169,076.82
Insurance premium		15,568.35	13,747.29
Doubtful debts		15,535.00	149,417.03
Other expenses		628,414.56	539,799.90
TOTAL EXPENSES		<u>28,918,644.05</u>	<u>28,421,563.14</u>
EXCESS OF EXPENSES OVER REVENUES		<u>(971,453.84)</u>	<u>(1,292,019.93)</u>

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The accompanying notes are an integral part of the financial statements


President
 (Mr. Thomas SANCHEZ)

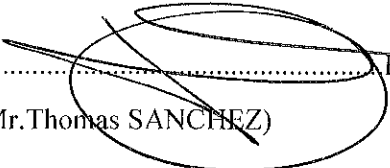

Honorary Treasurer
 (Mr. Chatchawat KRIENG SUNKUL)

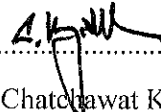
FRANCO-THAI CHAMBER OF COMMERCE
 STATEMENTS OF CHANGES IN MEMBERS' EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2019
 (UNIT: BAHT)

	<u>NOTE</u>	<u>2019</u>	<u>2018</u>
MEMBER'S EQUITY			
Beginning balance - 1 January		7,069,731.21	8,361,751.14
Excess of revenues over (under) expenses		(971,453.84)	(1,292,019.93)
Ending balance - 31 December		6,098,277.37	7,069,731.21
TOTAL MEMBER'S EQUITY		6,098,277.37	7,069,731.21

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The accompanying notes are an integral part of the financial statements


 President
 (Mr. Thomas SANCHEZ)


 Honorary Treasurer
 (Mr. Chatthawat KRIENG SONTIKUL)

FRANCO-THAI CHAMBER OF COMMERCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General Information

Franco-Thai Chamber of Commerce (“the Chamber”) was incorporated as a chamber under the Chamber of Commerce Act B.E.2509 on 28 April 1967. The Chamber’s principal objective is to promote and develop commerce between France and Thailand. The Chamber’s office is located at 5th Floor, Kian Gwan House III, 152 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand.

2. Basis of preparation

- 2.1 The financial statements of the Chamber have been prepared in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.
- 2.2 The financial statements in Thai language are the Chamber’s official statutory financial statements. The financial statements in English language have been translated from Thai version.

3. Significant accounting policies

3.1 Revenues and expenses recognition

- a) Revenues and expenses are recognized on an accrual basis.
- b) Subsidies are recognized when receiving official letter stating approval of subsidy amount.
- c) Membership fees are recognized over the term of membership.
- d) Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied.
- e) Service revenue is recognized when services have been rendered and taking into account the stage of completion and invoice has been issued.
- f) Revenues and expenses relating to event recognized when an event take place and/or ends.
- e) Interest income is recognized on an accrual basis based on the effective rate.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

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3.3 Current investments

Investments in open-end fund debt securities are stated at fair value, which is based on the latest net assets value of the last working day of the year. Changes in the carrying amount of the units are recorded as "Changes in value of current investments" in statement of revenues and expenses.

3.4 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The adequacy of the allowance is based on analysis of debt aging and current status of receivables outstanding at the balance sheet date including trend to collect from each debtor.

3.5 Equipment

Equipment stated at cost less accumulated depreciation.

3.6 Depreciation

Depreciation of equipment is calculated by reference to their cost over the estimated useful life of 5 years on a straight-line basis.

3.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization. Amortization of intangible assets is calculated by reference to their costs over the estimated useful life of 5 years on a straight-line basis.

3.8 Foreign currencies

Foreign currency transactions during the year are recorded at the rates ruling on the transaction dates. Assets and liabilities in foreign currency outstanding on the statement of financial position date are translated into Baht at the rates ruling on the statement of financial position date.

Exchange gains and losses are including in determining receipts and disbursements.

3.9 Employee benefits

Salary, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

Reserve for employee benefits has been recorded as liability by using estimated current two-month-salary basis.

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4. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding the matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ.

5. Cash and cash equivalent

	<u>2019</u>	<u>2018</u>
	Baht	Baht
Cash in hand	60,983.50	263.53
Cash at bank - current and saving accounts	5,400,294.67	5,739,848.34
Cash at bank – time deposit	1,335,379.69	1,323,486.07
Foreign currency deposit	950,596.21	312,886.90
Total	<u>7,747,254.07</u>	<u>7,376,484.84</u>

6. Current investments

	<u>2019</u>	<u>2018</u>
	Baht	Baht
Investment in open-end fund debt securities	1,500,000.00	1,500,000.00
Plus: changes in value	264,934.91	249,812.57
Total	<u>1,764,934.91</u>	<u>1,749,812.57</u>

7. Accounts receivable – net

	<u>2019</u>	<u>2018</u>
	Baht	Baht
Membership fees receivable	888,091.09	1,508,970.48
Accounts receivable	3,266,813.34	2,259,003.78
Less: allowance for doubtful accounts	-	-
Accounts receivable – net	<u>4,154,904.43</u>	<u>3,767,974.26</u>

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8. Other current assets

	<u>2019</u>	<u>2018</u>
	Baht	Baht
Prepayment	197,539.08	237,813.19
VAT refundable	48,719.84	68,870.33
Wines, books and souvenirs	478,746.47	400,579.50
Deposit for Bonjour France	320,000.00	-
Others	45,889.67	54,512.02
Prepaid participation fees in Thailand Pavilion at SIAL China 2019	-	1,294,520.21
Prepaid expenses other activities	-	65,000.00
Total	<u>1,090,895.06</u>	<u>2,121,295.25</u>

9. Equipment

	Leasehold Improvement	Equipment and furniture & fixture	Total
	Baht	Baht	Baht
Cost			
As at 31 December 2018	3,554,051.44	2,678,429.80	6,232,481.24
Purchase during the year	-	109,645.42	109,645.42
Transfer out	-	-	-
As at 31 December 2019	<u>3,554,051.44</u>	<u>2,788,075.22</u>	<u>6,342,126.66</u>
Accumulate depreciation			
As at 31 December 2018	1,980,778.33	2,379,233.68	4,360,012.01
Depreciation for the year	355,405.14	168,561.81	523,966.95
Transfer out	-	-	-
As at 31 December 2019	<u>2,336,183.47</u>	<u>2,547,795.49</u>	<u>4,883,978.96</u>
Net book value			
As at 31 December 2018	<u>1,573,273.11</u>	<u>299,196.12</u>	<u>1,872,469.23</u>
As at 31 December 2019	<u>1,217,867.97</u>	<u>240,279.73</u>	<u>1,458,147.70</u>

Depreciation including in statements of revenues and expenses:-

Year 2018	609,958.83
Year 2019	523,966.95

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10. Intangible assets

Intangible assets represent computer software and office package programs. The outstanding balance of intangible assets as at 31 December 2019 are as follow:-

	<u>2019</u>	<u>2018</u>
	Baht	Baht
Intangible assets	1,487,892.58	1,487,892.58
Purchase during the year	60,196.46	-
Total	<u>1,548,089.04</u>	<u>1,487,892.58</u>
Less: accumulated amortization	<u>(1,383,336.79)</u>	<u>(1,280,192.85)</u>
Net book value	<u><u>164,752.25</u></u>	<u><u>207,699.73</u></u>

Amortization for the year 2019 amounted to Baht 103,143.94 have been included in statements of revenues and expenses.

11. Refundable deposits

	<u>2019</u>	<u>2018</u>
	Baht	Baht
Rental deposits	610,200.00	610,200.00
Other deposits	23,100.00	23,100.00
Total	<u><u>633,300.00</u></u>	<u><u>633,300.00</u></u>

12. Unearned revenue and advances

These represent the fees received in advance as well as the amounts billed and yet to be recognized as revenue within the period. The balances as at 31 December 2019 are as follow:-

	<u>2019</u>	<u>2018</u>
	Baht	Baht
Membership fees received in advance	307,341.36	572,700.00
Unearned revenue - membership fees	845,632.14	1,410,252.78
Advance receive participation fees in Thailand Pavilion at SIAL China 2020 and 2019	2,771,750.00	2,738,140.00
Other fees received in advance	450,200.00	102,740.00
Total	<u><u>4,374,923.50</u></u>	<u><u>4,823,832.78</u></u>

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13. Other current liabilities

	<u>2019</u>	<u>2018</u>
	Baht	Baht
Deferred output tax	252,792.00	235,387.35
Deposit received for contract guarantee	2,889,288.14	2,172,100.00
Withholding tax and output tax payable	353,123.71	374,894.72
Social security fund payable	49,500.00	40,450.00
Other accrued expenses	440,372.31	598,728.43
Accrued bonus and employee benefits	-	8,000.00
Total	<u>3,985,076.16</u>	<u>3,429,560.50</u>

14. Reserve for employees' benefits

These represent the estimated liability reserve for employees' benefits in case of termination caused by business interruption. The reserve has been estimated basing on two-month-salary amounted to Baht 1.2 million. In 2010, the Chamber recorded such reserve of Baht 600,000 immediately to members' equity. The additional reserve of Baht 120,000 each was gradually recognized over the period of 5 years from year 2011 to 2015.

In year 2017, the Chamber had revised the estimated liability to be Baht 1.8 million by using current salary base. The additional reserve is gradually recognized over the period of 4 years at Baht 150,000 each starting from year 2017 to 2020 with total amount of Baht 600,000.

15. Business service income

	<u>2019</u>	<u>2018</u>
	Baht	Baht
Business Support/Help Desk	2,416,940.54	2,861,845.69
Administrative Services	1,862,530.00	868,178.00
Business Consultancy	743,413.79	815,969.50
Workshop	249,439.28	294,680.27
List of Thai companies	81,330.40	-
Interpreter and translation	-	3,497.12
French Pavilion -Thaifex World Food ASIA 2018	-	235,526.11
Total	<u>5,353,654.01</u>	<u>5,079,696.69</u>

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16. Commitments

The Chamber has entered into lease agreements to lease the office space with a future minimum-lease-payments required under those operating leases contracts approximately Baht 2,445,000 per annum.

17. Approval of financial statements

These financial statements have been approved by the Chamber's director.

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