

**European Trade Association for
Business and Commerce (EABC)**

Financial Statements

For the year ended December 31, 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of European Trade Association for Business and Commerce (EABC)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **European Trade Association for Business and Commerce (EABC)**, which comprise the statement of financial position as at **December 31, 2019**, and the statement of income, and statement of changes in fund balance 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 the **European Trade Association for Business and Commerce (EABC)** as at **December 31, 2019**, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

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 under the Royal Patronage of his Majesty the King's 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.

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.



Kanaratp Kijtanapobrung
Certified Public Accountant
Registration No.5939

28 Lasalle 23, Sukhumvit 105,
Bangna, Bangkok
February 7, 2020

European Trade Association for Business and Commerce
Statement of Financial Position
As at 31 December 2019 and 2018

(Unit:Baht)

<u>Assets</u>			
	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Current assets			
Cash and cash equivalents	3	929,053	1,106,118
Membership fees and other receivables	4	120,966	37,110
Total current assets		<u>1,050,019</u>	<u>1,143,228</u>
Non-currents assets			
Property, plant and equipment	7	17,400	-
Other non-current assets	5	92,000	78,000
Total non-current assets		<u>109,400</u>	<u>78,000</u>
Total assets		<u>1,159,419</u>	<u>1,221,228</u>
<u>Liabilities and fund balance</u>			
Current liabilities			
Other payables	6	991,489	844,198
Amount due to directors		450,000	670,000
Income tax payable		39,218	67,829
Total current liabilities		<u>1,480,707</u>	<u>1,582,027</u>
Total liabilities		<u>1,480,707</u>	<u>1,582,027</u>
Fund balance			
Accumulated excess (shortage) of income			
over (under) expenditure		(321,288)	(360,799)
Total fund balance		<u>(321,288)</u>	<u>(360,799)</u>
Total liabilities and fund balance		<u>1,159,419</u>	<u>1,221,228</u>

The accompanying notes are an integral part of these financial statements.

European Trade Association for Business and Commerce

Statement of Income and Expenditure

For the year ended 31 December 2019 and 2018

(Unit:Baht)

	2019	2018
Income		
Membership fees income	2,401,663	2,010,000
Sponsorship income	1,162,000	1,450,000
Seminar fees income	517,213	120,991
Publications income	534,590	1,041,132
Others income	-	959,300
Interest income	5,821	4,805
Total income	4,621,287	5,586,228
Expenditure		
Human resources expenses	2,511,971	1,969,205
Office expenses	573,345	491,871
Other direct costs and services expenses	888,958	375,733
Equipment and office supplies expenses	110,797	122,433
Other administrative expenses	451,847	432,150
Income tax	44,858	71,909
Total Expenditure	4,581,776	3,463,301
Excess (Shortage) of income over (under) expenditure	39,511	2,122,927

The accompanying notes are an integral part of these financial statements.

European Trade Association for Business and Commerce
Statement of Changes in Fund Balance
For the year ended 31 December 2019 and 2018

(Unit:Baht)

	<u>2019</u>	<u>2018</u>
Fund balance at the beginning of the year	(360,799)	(2,483,726)
Excess (Shortage) of income over (under) expenditure	<u>39,511</u>	<u>2,122,927</u>
Fund balance at the end of the year	<u>(321,288)</u>	<u>(360,799)</u>

The accompanying notes are an integral part of these financial statements.

European Trade Association for Business and Commerce

Notes to the Financial Statements

For the year ended 31 December 2019 and 2018

(Unit:Baht)

1 General information

European Trade Association for Business and Commerce (EABC) – (“the Association”) was registered in Thailand as an association under Section 10 of the New Association Act B.E. 2509 (Revised B.E. 2550) with Ministry of Commerce on November 28, 2011. The Association has its registered office at 208, 208 Wireless Road Building, 14th Floor, Unit 1401 - Room 4, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

The principal activities of the Association are to increase and further diversify investment and market possibilities for European companies in Thailand and ASEAN and to promote the region as high-potential trade and investment markets to Europeans, especially for SMEs as well as companies from countries that do not yet have an official business representation within Thailand and/or ASEAN.

The financial statements have been approved the authorized directors of the Association on February 11, 2020.

2 Accounting policies

The principle accounting policies adopted in the preparation of the financial statements are set out below:

2.1 Basis of preparation

The financial statements are prepared under the historical cost convention, except as discussed in accounting policies.

The financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statement have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

European Trade Association for Business and Commerce

Notes to the Financial Statements

For the year ended 31 December 2019 and 2018

(Unit:Baht)

2 Accounting policies (Continued)

The preparation of the financial statements in conformity with the accounting policy of the Association requires management to make judgments, estimates and assumptions that effect the application of policies and reported amount of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

2.2 Cash and cash equivalents

Cash comprises cash on hand, deposits held at call with banks but excluded deposits with banks which are held to maturity, certificates of deposit issued by commercial banks and other financial institutions, and restricted deposits. Cash equivalents comprise short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2.3 Membership fees and other receivables

Membership fees and other receivables are stated at the net realizable value.

Membership fees and other receivable are initially recognized at the fair value of the consideration received or receivable and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible, Bad debts are written off during the year in which they are identified and recognized in statement of income and expenditure.

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Notes to the Financial Statements

For the year ended 31 December 2019 and 2018

(Unit:Baht)

2 Accounting policies (Continued)

2.4 Provisions

Provisions are recognized when the Association 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.

2.5 Income and expenditure recognition

Income and expenditure are recognized on an accrual basis.

2.6 Employee benefits

The Association recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

2.7 Corporate income tax

Corporate income tax is accounted for based on taxable income as per the tax legislation. The Association recorded income tax as an expense for the period, and recorded the accrued portion as a liability in the statement of financial position.

2.8 Leases – where the Association is the lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income and expenditure on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expenses in the period in which termination takes place.

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Notes to the Financial Statements

For the year ended 31 December 2019 and 2018

(Unit:Baht)

3 Cash and cash equivalents

	2019	2018
Cash on hand	19,643	3,903
Deposit at a financial institution - saving accounts	909,410	1,102,215
Deposit at a financial institution - current account	-	-
Total cash and cash equivalents	<u>929,053</u>	<u>1,106,118</u>

4 Membership fees and other receivables, net

	2019	2018
Membership fees receivable, net	120,910	24,610
Prepayments	-	12,500
Input VAT	56	-
Membership fees and other receivable, net	<u>120,966</u>	<u>37,110</u>

5 Other non-current assets

	2019	2018
Rental deposit	92,000	78,000
Total Other non-current assets	<u>92,000</u>	<u>78,000</u>

6 Other payables

	2019	2018
Advance received revenue	899,000	677,000
Other payable	53,970	119,296
Accrued expenses	38,519	47,902
Total Other payables	<u>991,489</u>	<u>844,198</u>

European Trade Association for Business and Commerce

Notes to the Financial Statements

For the year ended 31 December 2019 and 2018

(Unit:Baht)

7 **Property, plant and equipment**

	<u>Office equipment</u>
<u>Cost</u>	
At 1 January 2019	-
Additions	21,800
At 31 December 2019	<u>21,800</u>
<u>Accumulated depreciation</u>	
At 1 January 2019	-
Depreciation charge for the year	4,400
At 31 December 2019	<u>4,400</u>
<u>Net book value</u>	
At 1 January 2019	-
At 31 December 2019	<u>17,400</u>

8 **Commitments**

Operating lease commitments

The Association has entered into an office space lease agreement and related service agreements. As at December 31, 2019 future minimum lease payments required under this non-cancellable operating were as follows

	<u>2019</u>	<u>2018</u>
Payments due - within 1 year	129,000	216,000
Total operating lease commitments	<u>129,000</u>	<u>216,000</u>

Under the lease agreement and related service agreement, the Association has paid deposit amounted to Baht 92,000 to the lessor, this is refundable at the end of the agreement.

European Trade Association for Business and Commerce

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For the year ended 31 December 2019 and 2018

(Unit:Baht)

9 Reclassification

Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year which does not affect the reported net operation result of year 2018.
