

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

**Financial Statements**

**For the year ended December 31, 2020**

## 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, 2020**, 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, 2020**, 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 Association 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 Association'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 Association 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 Association'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 Association'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 Association 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. K.*

Kanaratp Kijtanapobrungr  
Certified Public Accountant  
Registration No.5939

28 Lasalle 23, Sukhumvit 105,  
Bangna, Bangkok  
February 18, 2021

**European Trade Association for Business and Commerce**

**Statement of Financial Position**

**As at 31 December 2020 and 2019**

(Unit:Baht)

|  | <u>Assets</u> | Notes | 2020             | 2019             |
|--|---------------|-------|------------------|------------------|
| <b>Current assets</b>                      |               |       |                  |                  |
| Cash and cash equivalents                  |               | 3     | 704,083          | 929,053          |
| Membership fees and other receivables      |               | 4     | 252,249          | 120,966          |
| Total current assets                       |               |       | 956,332          | 1,050,019        |
| <b>Non-currents assets</b>                 |               |       |                  |                  |
| Property, plant and equipment              |               | 7     | 53,941           | 17,400           |
| Other non-current assets                   |               | 5     | 129,267          | 92,000           |
| Total non-current assets                   |               |       | 183,208          | 109,400          |
| <b>Total assets</b>                        |               |       | <b>1,139,540</b> | <b>1,159,419</b> |
| <b><u>Liabilities and fund balance</u></b> |               |       |                  |                  |
| <b>Current liabilities</b>                 |               |       |                  |                  |
| Other payables                             |               | 6     | 296,450          | 991,489          |
| Amount due to directors                    |               |       | 450,000          | 450,000          |
| Income tax payable                         |               |       | 39,174           | 39,218           |
| Total current liabilities                  |               |       | 785,624          | 1,480,707        |
| Total liabilities                          |               |       | 785,624          | 1,480,707        |
| <b>Fund balance</b>                        |               |       |                  |                  |
| Accumulated excess (shortage) of income    |               |       |                  |                  |
| over (under) expenditure                   |               |       | 353,916          | (321,288)        |
| Total fund balance                         |               |       | 353,916          | (321,288)        |
| <b>Total liabilities and fund balance</b>  |               |       | <b>1,139,540</b> | <b>1,159,419</b> |

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 2020 and 2019**

(Unit:Baht)

|   | 2020             | 2019             |
|---|------------------|------------------|
| <b>Income</b>   |                  |                  |
| Membership fees income                                      | 2,375,000        | 2,401,663        |
| Sponsorship income  | 1,038,000        | 1,162,000        |
| Seminar fees income   | 113,458          | 517,213          |
| Publications income   | -                | 534,590          |
| Others income   | 69,751           | -                |
| Interest income   | 2,580            | 5,821            |
| <b>Total income</b>   | <b>3,598,789</b> | <b>4,621,287</b> |
| <b>Expenditure</b>  |                  |                  |
| Other direct costs and services expenses                    | 133,543          | 888,958          |
| Human resources expenses                                    | 1,815,138        | 2,511,971        |
| Office expenses   | 409,673          | 573,345          |
| Equipment and office supplies expenses                      | 93,427           | 110,797          |
| Other administrative expenses                               | 432,270          | 451,847          |
| Income tax  | 39,534           | 44,858           |
| <b>Total Expenditure</b>                                    | <b>2,923,585</b> | <b>4,581,776</b> |
| <b>Excess (Shortage) of income over (under) expenditure</b> | <b>675,204</b>   | <b>39,511</b>    |

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 2020 and 2019**

|  | (Unit:Baht)    |                  |
|--|----------------|------------------|
|  | 2020           | 2019             |
| <b>Fund balance at the beginning of the year</b>     | (321,288)      | (360,799)        |
| Excess (Shortage) of income over (under) expenditure | 675,204        | 39,511           |
| <b>Fund balance at the end of the year</b>           | <b>353,916</b> | <b>(321,288)</b> |

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 2020 and 2019

(Unit:Baht)

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### 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 Central Tower, Room 1201-1202, 12<sup>th</sup> Floor; 4, 4/5, Rajdamri Road, 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 March 25, 2021.

### 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 2020 and 2019**

(Unit:Baht)

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**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.

**European Trade Association for Business and Commerce**

**Notes to the Financial Statements**

**For the year ended 31 December 2020 and 2019**

(Unit:Baht)

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**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.

**European Trade Association for Business and Commerce**

**Notes to the Financial Statements**

**For the year ended 31 December 2020 and 2019**

(Unit:Baht)

**3 Cash and cash equivalents**

|  | 2020           | 2019           |
|--|----------------|----------------|
| Cash on hand   | 4,652          | 19,643         |
| Deposit at a financial institution - saving accounts | 699,431        | 909,410        |
| Deposit at a financial institution - current account | -              | -              |
| Total cash and cash equivalents                      | <u>704,083</u> | <u>929,053</u> |

**4 Membership fees and other receivables, net**

|   | 2020           | 2019           |
|---|----------------|----------------|
| Membership fees receivable, net           | 186,953        | 120,910        |
| Prepayments                               | 54,342         | -              |
| VAT submit to Revenue Department          | 10,169         | -              |
| Input VAT                                 | 785            | 56             |
| Membership fees and other receivable, net | <u>252,249</u> | <u>120,966</u> |

**5 Other non-current assets**

|                                | 2020           | 2019          |
|--------------------------------|----------------|---------------|
| Rental deposit                 | 129,267        | 92,000        |
| Total Other non-current assets | <u>129,267</u> | <u>92,000</u> |

**European Trade Association for Business and Commerce**

**Notes to the Financial Statements**

**For the year ended 31 December 2020 and 2019**

(Unit:Baht)

**6 Other payables**

|                             | 2020           | 2019           |
|-----------------------------|----------------|----------------|
| Advance received revenue    | 173,000        | 899,000        |
| Other payable               | 19,855         | 53,970         |
| Accrued expenses            | 103,595        | 38,519         |
| <b>Total Other payables</b> | <b>296,450</b> | <b>991,489</b> |

**7 Property, plant and equipment**

|   | December 31,   |                 | Disposal | December 31,    |
|---|----------------|-----------------|----------|-----------------|
|   | 2019           | Increase        | 2020     | 2020            |
|   | Baht           | Baht            | Baht     | Baht            |
| <b><u>Cost</u></b>                      |                |                 |          |                 |
| Computer                                | 21,800         | 37,374          | -        | 59,174          |
| Office equipment                        | -              | 12,910          | -        | 12,910          |
| <b>Total Cost</b>                       | <b>21,800</b>  | <b>50,284</b>   | <b>-</b> | <b>72,084</b>   |
| <b><u>Accumulated Depreciation</u></b>  |                |                 |          |                 |
| Computer                                | (4,400)        | (12,523)        | -        | (16,923)        |
| Office equipment                        | -              | (1,220)         | -        | (1,220)         |
| <b>Total Accumulated Depreciation</b>   | <b>(4,400)</b> | <b>(13,743)</b> | <b>-</b> | <b>(18,143)</b> |
| <b>Equipment - net</b>                  | <b>17,400</b>  |                 |          | <b>53,941</b>   |
| <b><u>Depreciation for the year</u></b> |                |                 |          |                 |
| 2019                                    |                |                 |          | 4,400           |
| 2020                                    |                |                 |          | 13,743          |

**European Trade Association for Business and Commerce**

**Notes to the Financial Statements**

**For the year ended 31 December 2020 and 2019**

(Unit:Baht)

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**8 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 2019.

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