

A background network diagram consisting of numerous grey and dark blue nodes connected by thin grey lines, creating a complex web of connections across the entire page.

# Annual Report 2018-19



**THAI-FINNISH**  
CHAMBER OF COMMERCE

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# 1 President’s Annual Report 2018-2019

The Thai economy is on course to grow by only about 3 percent in 2019, down from a 4.1-percent growth rate in 2018, due to a combination of external and domestic factors. As an export-reliant economy, Thailand, along with other countries in the region, is feeling the impacts of a global economic slowdown and uncertainties related to the worsening trade relations between the United States and China, and recently between Japan and Korea.

To add to Thailand’s economic woes, the Thai baht has continued to strengthen since the end of 2018, up by about 5 percent year-to-date against the US dollar—the best-performing currency in Asia. The strong baht has started to weigh heavily on agricultural exports and tourism.

The Thailand 4.0 initiative is expected to transform the country from past economic development models which placed more emphasis on agriculture, namely Thailand 1.0 (agriculture) Thailand 2.0 (light industry), and Thailand 3.0 (advanced/heavy industry). This will promote positive growth across several industries, boosting the country’s overall economy.

For the Thai-Finnish Chamber of Commerce the last fiscal year from July 2018 to June 2019 was challenging. Our long-standing Executive Director Karri Kivelä left TFCC in April 2019 and the new Executive Director Ms. Yulia Molnar was hired to replace him. Unfortunately, Ms. Molnar decided to resign her duties very shortly after she had just started. This has drastically reduced TFCC’s capabilities to serve our members, promote TFCC towards potential new members and to implement our new strategy as well. After Mr. Kivelä’s departure several administrative problems due to incomplete management were discovered, which had been previously undetected. The board of TFCC had to send a letter to Mr. Kivelä and request corrections due to his incomplete actions as the Executive Director of TFCC. The Board has redefined administrative procedures to avoid similar situations to occur in the future.



TFCC’s strategy and operating concept has been widely recognized as an innovative best practise example. TFCC was invited to present the strategy and new services at Finncham network’s global meeting in Helsinki in August 2019. Finnish

Business Council in Singapore has also implemented almost identical operating concept. As a kind of “proof of concept” TFCC was awarded a contract financed by Team Finland – for the first time in history - to identify business opportunities in Thailand’s smart industry sector. TFCC was awarded this contract due to its new position at the core of the Thai-Finnish business ecosystem. TFCC sees as its role to act as a facilitator of professional services, which are rendered by private consultants, EABC, JFCCT, Business Finland or other network partners of TFCC. TFCC wants to become the most wanted and trusted partner for its members when it comes to meeting their business challenges in Thailand.

The amount of TFCC’s memberships and partnerships has been rising during the last fiscal year. Some companies have left us, and new companies have joined in. For the partnerships we have offered more to the partner and included concrete marketing and sales duties for TFCC to secure these partnerships. There is a clear shift from corporate social responsibility to actual benefit programs to the partner as companies demand more for their partnerships when the general business climate in Thailand is more demanding.

Currently TFCC has the following Partners: Finland Chamber of Commerce, Business Finland,

Codemate, EventBank , Finnair, KONE, Thaivivat Insurance, Wissen & Co and Nokia

Most important events during the last fiscal year were the Christmas Party in Centara Grand, the Vappu party at the Akyra hotel and the Ambassador’s Cup golf event, which was again organized after a break of several years. TFCC also acted as a co-organizer in several events with other Nordic or European Chambers. In addition, TFCC organized and facilitated a co-creation business opportunities validation workshop at the Finnish ambassador’s residence focusing on circular economy and waste-to-value market. Two similar events will be organized later this year on digital healthcare and smart industries sectors emphasizing TFCC’s new role in providing services with clear business benefit for our members.

Vision Finland publication with TFCC member directory for 2019 was published in the spring both as a print and digital version.

TFCC joined the coalition against corruption together with the other Nordic Chambers by signing MoU.

TFCC conducted a member survey in spring 2019. Most members expressed their satisfaction towards TFCC’s services. Additionally, 90% of the respondents felt, that TFCC’s operations had met their expectations.



Minister of Economic Affairs Mr. Mika Lintilä visited Bangkok in August 2018.

### Challenges for the next fiscal year 2019-2020

TFCC like many of the Chambers of our size in Thailand have to adapt to the business environment around us. We have to find income sources outside of the memberships and events to be able to finance our own office and two full time employees, a Finnish Executive Director and a Thai Office Manager.

By far the most important revenue source for TFCC are the partnership and corporate membership fees. Our new strategy is based on providing services with business impact for our members. Anything and everything TFCC is doing must be potentially beneficial for our members and partners. Everything else is secondary and should be ignored. With this focus we feel confident, that the amount of our memberships will grow thanks to higher level of member satisfaction towards TFCC. One new source of income is planned from the companies from Finland who want to enter Thai markets. TFCC could act as a commercial advisor providing information for these companies considering establishing their business in Thailand and becoming our members as well as matching them with experts and consultants offering services to our members.

Last fiscal year was financially challenging due to increase in costs for TFCC despite of substantial growth in revenues, but we look towards the next year with positive attitude. The next Board will have to decide how to continue the implementation of our strategy and how to organise the management of TFCC on daily basis.

I want to thank all our partners and members for this year, and I hope we can work together to make the next year even better!!

**Mr. Jari Hietala**  
President

## **2 Certified Financial Statement of TFCC for the fiscal year ended on 30 June 2019**

### **Report of Independent Auditor**

**To Board of Directors of Thai-Finnish Chamber of Commerce**

#### **Opinion**

I have audited the financial statements of Thai-Finnish Chamber of Commerce, which comprise the statement of financial position as at 30 June 2019, and the statement of income and statement of changes in equity for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

#### **What I have audited**

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Thai-Finnish Chamber of Commerce as at 30 June 2019, and its financial performance for the period then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

#### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Chamber of Commerce 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 my audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis**

I urge you to put a remark on notes 7 which stated that the Chamber of Commerce has total liabilities more than total assets (deficit accumulative revenues less expenses). However, the Chamber of Commerce deems appropriate that the financial statements are prepared on a going concern basis as the Board of Directors confirms to provide support so that the Chamber of Commerce could operate its business as a going concern. Hence, I do not express a qualifying opinion on this matter.

#### **Other Matters**

The financial statements of Thai-Finnish Chamber of Commerce as at 30 June 2018 was audited by another certified public accountant, presented a non-qualifying as per the report dated 5 September 2018.

#### **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 of Commerce'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 of Commerce or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 of Commerce'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 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 of Commerce's ability to continue as a going concern. If I 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 my opinion. My 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 of Commerce 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.

I communicate with the 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 I identify during my audit.

The independent auditor responsible for the audit resulting in this report is

**Ms.Tharattaphorn Khummek**  
**Certified Public Accountant (Thailand) No. 11890**  
**1/113 Tambon Taladkhwan, Amphur Muang Nonthaburi**  
**30 September 2019**

## Statement of Financial Position

Statement of Financial Position	Notes	2019	2018
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalent	3	41,958.59	323,230.75
Trade and Other Receivables	4	281,912.64	88,498.65
Other Current Assets		16,156.14	-
<b>Total Current Assets</b>		<b>340,027.37</b>	<b>411,729.40</b>
Non-Current Assets			
Equipment – Net	5	42,721.52	55,378.51
Other Non-Current Assets		27,700.00	27,700.00
<b>Total Non-Current Assets</b>		<b>70,421.52</b>	<b>83,078.51</b>
<b>Total Assets</b>		<b>410,448.89</b>	<b>494,807.91</b>
<b>Liabilities and Equity</b>			
Current Liabilities			
Trade and Other Payables	6	1,023,336.11	648,745.77
Income Tax Payable		-	20,901.52
Other Current Liabilities		51,596.50	69,783.60
<b>Total Liabilities</b>		<b>1,074,932.61</b>	<b>739,430.89</b>
Equity			
Funds		991,681.91	991,681.91
Accumulative Revenues (less than) Expenses		(1,656,165.63)	(1,236,304.89)
<b>Total Equity</b>		<b>(664,483.72)</b>	<b>(244,622.98)</b>
<b>Total Liabilities and Equity</b>		<b>410,448.89</b>	<b>494,807.91</b>



## 1. Statement of Income

Statement of Income	2019	2018
<b>Revenues</b>		
Revenues-Membership Fees	1,074,062.00	854,925.23
Revenues-Seminar and Function	702,186.43	644,152.33
Revenues-Magazine	536,750.00	270,000.07
Revenues-Sponsorship	243,616.70	18,210.00
Revenues-Interest	475.53	984.70
Revenues-Others	272,115.78	126,000.08
<b>Total Revenue</b>	<b>2,829,206.44</b>	<b>1,914,272.41</b>
<b>Expenses</b>		
Seminar and Function Expenses	547,877.19	1,060,178.71
Printing and Design Expenses	368,888.02	-
Membership Fee	27,588.08	30,000.00
Sponsorship and Advertising	23,801.87	3,120.00
Personnel Expenses	1,183,613.00	160,556.11
Service Fee	68,500.00	48,776.00
Office Expenses	158,186.50	107,527.48
Meeting and Travelling Expenses	69,431.30	-
Accounting Professional Fee	79,000.00	65,000.00
Consultancy Fee	100,000.00	779,170.00
Bank Charge	6,740.36	3,706.66
Non Deductible Expenses	554,532.40	-
Government Fee & Penalty	33,028.51	1,316.50
Other Expenses	11,722.96	10,267.87
Depreciation	16,156.99	10,844.82
Income Tax	0.00	20,901.52
<b>Total Expenses</b>	<b>3,249,067.18</b>	<b>2,301,365.67</b>
<b>Revenues (less than) Expenses during the year</b>	<b>(419,860.74)</b>	<b>(387,093.26)</b>

## 2. Statement of Changes in Equity

Statement of Changes in Equity	Funds	Revenues (less than) Expenses	Total Equity	Column1
Balance as at 1 July 2017	991,681.91	(849,211.63)	142,470.28	
Revenues (less than) Expenses during the year	-	(387,093.26)	(387,093.26)	
Balance as at 30 June 2018	991,681.91	(1,236,304.89)	(244,622.98)	
Revenues (less than) Expenses during the year	-	(419,860.74)	(419,860.74)	
Balance as at 30 June 2019	991,681.91	(1,656,165.63)	(664,483.72)	4



## 1. General Information

Thai-Finnish Chamber of Commerce was incorporated as a chamber of commerce number 0108535000029 on 21 September 1992, having its registered head office in Thailand as follows:

Head Office : located at 184/2 Forum Tower, 3rd Floor, Ratchadapisek Road, Huay Kwang, Bangkok.

These financial statements were approved by the Board of Directors of Thai-Finnish Chamber of Commerce on 30 September 2019.

## 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

### 2.1 Basis of Preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) for non-Publicly Accountable Entities (NPAEs) enunciated under the Accounting Professions Act B.E. 2547.

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in conformity with Thai GAAP requires the management to make certain estimation under several assumptions in relation to assets, liabilities, income, and expenses. As such, the actual result may differ from the estimations.

### 2.2 Cash and Cash Equivalent

Cash and Cash Equivalent includes cash on hand, deposits held at call with banks, with maturity of three months or less but not include deposits pledged under guarantee with banks.

### 2.3 Trade Receivables

Trade receivables are carried at original invoice amount and subsequently measured at the invoice amount less allowance for impairment. An allowance for impairment is established at the end of the fiscal year. The amount of the allowance is the difference between the carrying amount and the amount expected to be collectible. The amount of the loss is recognized in the Statement of Income as part of Operating Expenses.

### 2.4 Equipment - Net

Equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, or lease period in case that the lease period is shorter, as follows :

Office Equipment 5 years

At the end of fiscal period, the book value and useful life are reviewed as appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the Statement of Income.

### 2.5 Revenue and Expense Recognition

Revenue and Expenses are recognized as they accrue.

Revenue comprises the fair value of the consideration received or receivable for the services in the ordinary course of activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Interest income is amortization on a time proportion basis, taking account of principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Chamber of Commerce

Cost and expenses comprise the fair value of the consideration paid or payable for the purchase of goods and services in the ordinary course of activities. Cost and expenses are shown net of value-added tax, returns, rebates and discounts.

### 3. Cash and Cash Equivalent

Cash and Cash Equivalent	2019	2018
Cash on Hands	5,873.00	5,964.50
Cash at Bank – Savings Account	35,085.59	316,266.25
Cash at Bank – Current Account	1,000.00	1,000.00
<b>Total</b>	<b>41,958.59</b>	<b>323,230.75</b>

### 4. Trade and Other Receivables

Trade and Other Receivables	2019	2018
Trade Receivables (current)	262,105.00	-
Prepaid Expenses	9,807.64	-
Advance to Others	10,000.00	88,498.65
<b>Total</b>	<b>281,912.64</b>	<b>88,498.65</b>

### 5. Equipment – Net

Equipment - Net	Office Equipment
<b>Balance as at 1 July 2018</b>	
Acquisition Cost	278,401.85
Less : Accumulative Depreciation	(223,023.34)
Net Book Value	55,378.51
<b>For the year ending on 30 June 2019</b>	
Beginning Book Value - Net	55,378.51
Acquisition	3,500.00
Disposal	-
Depreciation	(16,156.99)
Ending Book Value – Net	42,721.52
<b>Balance as at 30 June 2019</b>	
Acquisition Cost	281,901.85
Less : Accumulative Depreciation	(239,180.33)
Net Book Value	42,721.52

### 6. Trade and Other Payables

<b>Trade and Other Payables</b>	<b>2019</b>	<b>2018</b>
Trade Payables	228,178.10	205,221.51
Advance from Others	81,379.51	-
Prepaid and Deferred Income	621,562.00	443,524.26
Accrued Expenses	92,216.50	-
<b>Total</b>	<b>1,023,336.11</b>	<b>648,745.77</b>

## 7. Going Concern

As at 30 June 2019 and 2018, the Chamber of Commerce had total liabilities exceeding total assets (deficit accumulative revenues less expenses) of 0.66 million Baht and 0.24 million Baht respectively. Although it raises uncertainty about entity's ability to continue as a going concern, the Chamber of Commerce deems appropriate that the financial statements are prepared on a going concern basis, as there is a confirmation from the Board of Directors to provide a support so that the Chamber of Commerce could operate its business as a going concern. The accompanying financial statements do not include any adjustments relating to the realization of the carrying value of assets, or the amount and classification of liabilities that might be necessary should the Chamber of Commerce be unable to continue as a going concern.

### *Certify True and Correct*

..... *President of Thai-Finnish Chamber of Commerce*

*(Mr. Jari Juhani Hietala)*

### 3 Our Financial Position

The financial statements are based on accounting reports by KlarAcc Co., Ltd. and audited by Certified Accountant Ms. Siriwan Kobsucharoen (CPD License number 3102200071641) and Certified Auditor Ms. Tharattaporn Khummek (CPA License number 11890).

In Auditor's opinion "the accompanying financial statements present fairly, in all material respects, the financial position of Thai-Finnish Chamber of Commerce as at 30 June 2019, and its financial performance for the period then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities".

The change of accounting company to KlarAcc Co., Ltd. was success as we received accurate monthly reports punctually. We also got valuable and professional advice in accounting practices in Thailand.

#### Assets

The total assets were 410,448.89 THB compared to 494,807.91 THB in the previous year. Our assets reduced 84,359.02 THB (about 17%). Most of this is due to reduction in total current assets (e.g. cash and receivables) as non-current assets (e.g. equipment) reduced only little.

#### Liabilities

The total liabilities were 1,074,932.61 THB compared to 739,430.89 THB in the previous year. The total liabilities increased 335,501.80 THB (about 45%). Most of this is payables (invoices) that we couldn't pay on time due to lack of cash. This is significant change compared to last year and we must put higher effort to manage the invoices and pay them on time.

#### Equity

The total equity was -664,483.72 THB compared to -244,622.98 THB in the previous year. The total equity decreased by 419,860.74 THB (about 172%) which is significant change and reveals the worsening situation of our financial situation.

#### Revenues

The total revenues were 2,829,206.44 THB compared to 1,914,272.41 THB in the previous year. The revenues increased by 914,934 THB (about 48%). We received 219,136.80 THB more membership fees. The membership fees were increased in January 2019. We received 225,406.70 THB more sponsoring. We received 266,749.93 THB more advertisement sales for Vision Finland. The increase of revenues is positive



and is result of continuous efforts to improve income. Membership fees were biggest income source (38%), event income second biggest (25%), advertisement for Vision Finland third biggest (19%) and sponsoring fourth biggest (9%). Important source of income was Assignment for Finland's Embassy (6%).

#### Expenses

The total expenses were 3,249,067.18 THB compared to 2,301,365.67 THB in the previous year. The revenues increased by 947,701.50 THB (about 41%). Personnel expenses and Consultancy Fees (total staff remuneration) were increased by 343,886.90 (note that in previous year we didn't pay Office Manager's salaries for six months). There were 554,532.40 THB worth of non-deductible expenses which were missing receipts. However, great majority of these transactions are known and validated but the receipt management wasn't up to standards. Total staff remuneration was biggest expense (36%), events second biggest (17%), printing for Vision Finland third biggest (11%) and office expenses fourth biggest (5%).

#### Profitability

The revenues (less than) the expenses during the year were -419,860.74 THB compared to -387,093.26 THB in the previous year. We made 32,767.48 THB (about 8%) more loss. Loss margin is about 15%.

#### Cash

The total cash and cash equivalent were 41,958.59 THB compared to 323,230.75 THB in the previous year. This is 281,272.13 THB less cash than a year ago.

#### Receivables

Trade and Other Receivables were 281,912.64 THB compared to 88,498.65 THB in the previous year. This

is 193,413.99 more. Majority of this is pending Membership fee payments.

### **Bad profitability and Going Concern**

Continuous bad profitability year after year is making TFCC's financial position more difficult. Two years ago, the profitability was -234 kTHB, a year ago -387 kTHB and in the latest fiscal year -420 kTHB.

The auditor wrote "Going Concern" on total liabilities exceeding total assets (deficit accumulative revenues less expenses). Two years ago, this was -143 kTHB, a year ago 244 kTHB and in the latest fiscal year 664 kTHB.

"Going concern" is an accounting term for a company that has the resources needed to continue operating indefinitely until it provides evidence to the contrary. This term also refers to a company's ability to make enough money to stay afloat or avoid bankruptcy. If a business is not a going concern, it means it's gone bankrupt and its assets were liquidated.

### **Impact and measures to correct**

TFCC has limited financial resources to continue operations using the past operating mode. TFCC has tried to increase income (increase membership fees, sponsoring and event profits) to cover the cost. However, it hasn't worked well enough and therefore the Board has to decide measures to decrease cost.

For example, the cost of staff and cost of office rental are areas to consider. Event cost isn't the target necessarily as events are mostly profitable.

### **Income considerations**

We have seen member churn in 2019 as some members haven't renewed their memberships. According to the feedback from those members the reason isn't increased membership fee, but reasons related to membership benefits (although member survey showed positive results). Apparently, main focus is needed to understand and take care of members and attract new members.

There have been some signs of reduced enthusiasm to sponsor TFCC Events. Event profitability and sponsoring is the second area to focus.

We would like to continue with another Assignment of Finland's Embassy also in 2020.

Overall, the financial situation of TFCC is worse than a year ago and current operating mode isn't sustainable. Therefore, the new Board has to consider seriously cost cutting measures, member care and event management issues. Improving governance best practices and automating process may also be helpful to improve productivity.

**Mr. Antti Rahikainen**  
*Treasurer*

## **4 Minutes of the 27th Annual General Meeting of the TFCC on 19 September 2018**

**Time:** 19 September 2018 at 17:30 – 19:00

**Place:** Mexicana Bar, Rembrandt Hotel, Sukhumvit Soi 18

### **Agenda**

1. Opening of the meeting
2. Ambassador's welcome
3. Validity of the meeting and approval of the agenda
4. Approval of the minutes of the last AGM held on 28th September 2017
5. The President's Annual Report for 2017-2018
6. The Financial Statements
7. Elections to the Board
8. Appointment of Auditor
9. Other Business
10. Closing of the meeting

## Participants

### Patron of TFCC

- The Ambassador of Finland Mrs. Satu Suikkari-Kleven

### Partners

- Codemate Ltd. Mr. Jukka Katajajarju
- Thaivivat Insurance Plc Mr. Lucien Heijstee
- Wissen & Co Mr. Wichien Harnpraween

### Corporate Members

- Pulmentum Co., Ltd. Mr. Jouni Heinonen
- Mr. Mika Tikka
- Euro-Center (Thailand) Co., Ltd. Mrs. Tiina Sipilä-Simawit
- Luvata Technologies (Thailand) Ltd. Mr. Jouni Satola
- Capps Oy Mr. Vesa Vauhkala
- Thai Unmanned Industries Ltd. Mr. Jani Hirvinen
- Freightzen Logistics Ltd. Mr. Jimmy Jensen
- KlarAcc Co., Ltd Mrs. Veeruthai Harnpraween
- Mrs. Siriwan Kobsucharoen
- E-ville Mr. Ville Majanen
- Mr. Marko Rasinmaki
- Rembrandt Hotel Bangkok Mrs. Kamolnuch Bhiromsawad

### Individual Members

- Mr. Raimo Pahkasalo
- Mr. Antti Rahikainen
- Mrs. Supatra Buranatham
- Mr. Antti Vesanen
- Mr. Antti Aromäki
- Mr. Jari Hietala
- Mr. Jorma Manninen
- Mr. Teuvo Tuomi
- Mr. Peter Darby
- Mr. Jukka Koivistoinen
- Mr. Kristian Ovaska

### TFCC Staff

- Executive Director Mr. Karri Kivelä
- Office Manager Ms. Kewalin Kiatchusak
- Trainee Mr. Riku Nummi



## **1. Opening of the meeting**

President of TFCC Mr. Jari Hietala chaired the meeting. Mr. Jari Hietala opened the meeting at 5.45 pm and the Board introduced themselves.

## **2. Ambassador's welcome**

H.E. Ambassador of Finland Ms. Satu Suikkari-Kleven made a welcome speech.

## **3. Validity of the meeting and approval of the agenda**

The required 25% quorum was present in the meeting and the meeting was officially opened and the agenda was approved.

## **4. Approval of the minutes of the last AGM held on September 19<sup>th</sup>, 2018**

The meeting approved the minutes.

## **5. The President's annual report for 2017–2018**

Your Excellency, dear partners and members, ladies and gentlemen.  
It is my pleasure to welcome you all to the 27<sup>th</sup> TFCC Annual General Meeting.

Thailand's economy is expected to grow by 4.1 percent in 2018, the fastest pace since 2012. Thailand's economic recovery is broadening in 2018. While rapid export growth continues fuelling the economy, an increase in capacity utilization and acceleration in capital goods imports suggest a nascent domestic demand recovery as well. Regulatory reforms and overall policy stability are contributing to continuing improvements in business sentiment.

Exports accelerated to 7.5% due to merchandise goods exports and tourism. This reflects a regional trend, as export growth increased across all economies in the region.

Imports grew by 6.5%, with the largest increases in the import of raw materials and intermediate goods. Capital goods imports grew by 8.6% in 2017, reflecting a rise in machinery and equipment imports, which is a leading indicator for increased private investment activity in 2018.

Long-term growth prospects rest on productivity as labour accumulation and capital expansion will inevitably diminish in the context of Thailand's rapidly aging society.

Transitioning to a high-income innovation-based economy requires investment in not only innovation inputs, but also complementary factors that provide the right incentives for investing in innovation. Key areas for Thailand include: competition policy, services liberalization, big data, a skilled workforce, and intellectual property rights. Strong implementation will be key as innovation is a long-term risky endeavour. To help modernize the economy, the government has earmarked THB 27.9 billion of investment for 2017-21 in four digital areas: commerce, entrepreneurship, innovation and content. This year, Thailand's first technological innovation park is scheduled to open in Chonburi province, southeast of Bangkok.

Last month, in August 2018 a ministerial delegation from Finland, led by the Minister of Economic Affairs Mika Lintilä, visited Thailand. This was the first official delegation from Finland to Thailand in 14 years. The companies in the delegation represented the energy industry and digitalization. In connection to the visit a Memorandum of Understanding between our countries was signed to co-operate in the area of

digitalization and ICT. This MOU will offer a sound platform for Finnish companies to establish their presence in Thailand or to initiate joint projects with their Thai counterparts.

For the Thai-Finnish Chamber of Commerce the last fiscal year from July 2017 to June 2018 has been time for building its role as a more active player within Team Finland and within the Nordic Chambers in Thailand.

TFCC has designed a new co-operation concept for Team Finland, which aims at full utilization of all available resources for the benefit of our members as well as newcomers from Finland to Thailand. TFCC in this context utilizes its unique position in the centre of the Thai-Finnish business ecosystem and acts as a facilitator of professional services, which are rendered by private consultants, EABC, JFCCT, Business Finland or other network partners of TFCC. This new service is one of the most important elements in TFCC's new strategy and service concept which was launched earlier this year. TFCC's aim is to move from a general event organiser to a facilitator of services by leveraging on its core position in the Thai-Finnish business ecosystem. TFCC wants to be the trusted partner for its members when it comes to solving their business challenges in Thailand.

TFCC has played a key role in developing and activating the co-operation between the Nordic Chambers of Commerce in Thailand. Several joint activities have been implemented during this year and the intensity of activities is expected to rise even further towards the end of this year and for the years to come.

The amount of TFCC's memberships and partnerships has been on the rise during the last fiscal year. Some companies have left us, and new companies have joined in. For the partnerships we have offered more to the partner and included concrete marketing and sales duties for the Chamber to secure these partnerships. There is a clear shift from corporate social responsibility to actual benefit programs to the partner as companies demand more for their partnerships when the general business climate in Thailand is more demanding.

Most important events during the last fiscal year were the 25<sup>th</sup> Anniversary of TFCC that took place in St. Regis Hotel in October 2017, the Finland 100 years Christmas Party in Centara Grand where TFCC acted as host together with The Finnish Embassy, Kruntsu and Finwa. In January TFCC hosted a Nordic Kick-off Party together with the other Nordic Chambers in the Garden of the Danish Ambassador. This Kick of Party with some 200 guests was the kick-off also to the active Nordic cooperation in future.

### **Challenges for the next fiscal year 2018-2019**

TFCC like many of the Chambers of our size in Thailand have to adapt to the business environment around us. We have to find income sources outside of the memberships and events to be able to have our own office and two full time employees, a Finnish ED and a Thai Office Manager.

By far the most important revenue source for TFCC is the membership fees. Our new strategy is based on providing services with business impact for our members. Anything and everything TFCC is doing must be potentially beneficial for our members and partners. Everything else is secondary and should be ignored. With this focus we feel confident, that our membership keeps on growing thanks to higher level of member satisfaction towards TFCC. Secondly, we expect the selling of "Nordic Product" to kick off during the next 12 months. This will also contribute quite substantially to the finances of our chamber. The third new source of income is planned from the companies from Finland who want to enter Thai markets. TFCC could act as a marketing organisation providing free advice to these companies and direct these inquiries to consultants in return of finder's fee.

As usual, also last year was financially challenging for TFCC but we look towards the next year with positive attitude and a lot has to do with full implementation of the new strategy and our aim to achieve a more permanent partner role also financially speaking with Business Finland as a Team Finland player. I want to thank all our partners and members for this year, and I hope we can work together to make the next year even better!!

***Mr. Jari Hietala***  
***President***

**Current members of TFCC as of September 19th, 2018:**

- Honorary members: 6
- Partners: 7
- Corporate members: 65
- Individual members: 29
- Total 107

**Directors of the Board in 2017-2018:**

- President Mr. Jari Hietala
- Vice-President Mr. Pornpracha Wattanakijisiri (resigned in 2018)
- Vice-President Mr. Jouni Heinonen
- Treasurer: Mr. Antti Rahikainen
- Director Mr. Jani Hirvinen
- Director Dr. Auvo Finne
- Director Mr. Tim Olsbo (resigned in 2018)
- Director Mrs. Tiina Sipilä-Simawit
- Director Mr. Jouni Satola
- Director Mr. Jorma Manninen
- Director Mrs. Supatra Buranatham (resigned in 2018)
- Director Mr. Jukka Katajajarju
- Advisor to the Board Mr. Kai Tuorila

**TFCC Office Staff:**

- Executive Director Mr. Karri Kivelä
- Office Manager Ms. Yupawadee Sungthong (resigned in 2017), after 3 years
- Office Manager Ms. Phongphiew Smithipongpanich (resigned in 2017), after 2 weeks
- Office Manager Ms. Ramita Ngernsombut (resigned in 2018), after 3.5 months
- Office Manager Ms. Kewalin Kiatchusak, started Sept. 1st, 2018 –

**TFCC major events since AGM 2017:****TFCC own events and events organized with the Embassy of Finland (also member events):**

- TFCC 25th Anniversary Awards Night, Oct 2017, St. Regis Hotel, Bangkok
- TFCC Pre-Christmas Party, December 2017, (Finland 100 years)
- Finvera services for Finnish companies, January 2018, Residence of Finnish Ambassador
- Joining forces – \_promoting Thai-Finnish trade, March 2018, Residence of Ambassador
- TFCC Vappu Party, April 2018, Restaurant Bully's
- Investor/Start-up networking event in the Residence, May 2018 + Start-up Thailand, Queen Sirikit Convention Centre
- Techsauce Global Summit, June 2018, Centara Grand (TFCC representation)
- TFCC goes to members: Visit to Huhtamaki, June 2018
- Minister Lintilä's business delegation in Bangkok, 19-32 Aug
- TFCC Mentoring events (2 times during 2018)

**Nordic events (with the Nordic Chambers):**

- Nordic CSR Breakfast seminar, Oct 2017, Rembrandt Hotel Nordic Kick Off, January 2018, Danish Ambassador's Garden Nordic Business Luncheon, EU-Thailand relations, March 2018, Westin Altitude Hotel Cryptocurrency Seminar, June 2018, Admiral's Pub, Bangkok
- Lasse Wendelin seminar of digitalization, August 2018, Marriott Exec. Apartments

**Co-hosted events:**

- ASIS Thailand Chapter Security Event, Oct 2017, Marriott Marquis, Bangkok
- EU-Thailand Multichamber Event, March 2018, Intercontinental Thailand
- Unesco Cultural Heritage of Humanity, March 2018, amBar, Bangkok with BeLuThai as host
- Multichamber Young Professional's Networking, April 2018, Oh Chic, Civic Hotel \_
- Digital Marketing and Social Media Trends, Sept. 2018, Banyan Tree, Bangkok
- Jyske Bank investment seminar, Sept. 2018, Rembrandt Hotel, Bangkok

TFCC's President, Vice-Presidents and Executive Director have participated also in the major JFCCT, BOI, BOT and EABC events throughout the fiscal year 2017-2018.



## สำนักงานสอบบัญชีศรีมงคล SIRIMONGKOL CERTIFIED PUBLIC ACCOUNTANT OFFICE

177 ซอยสีรินธร 7 ถ.สีรินธร แขวงบางบำหรุ เขตบางพลัด กรุงเทพฯ 10700 โทร. 0-2434-3995-6 โทรสาร 0-2434-3996  
177 Sirinthorn Soi 7 Sirinthorn Rd., Bangbunrou, Bangplad Bangkok 10700 Tel: 0-2434-3995-6 Fax: 0-2434-3996

### INDEPENDENT AUDITOR'S REPORT

To the Member of THAI-FINNISH CHAMBER OF COMMERCE

#### Report on the Audit of the Financial Statements

##### Opinion

I have audited the financial statements of THAI-FINNISH CHAMBER OF COMMERCE (the Chamber of commerce), which comprise the statement of financial position as at June 30, 2018, and the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the chamber of commerce financial statements present fairly, in all material respects, the financial position of the THAI-FINNISH CHAMBER OF COMMERCE as at June 30, 2018, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

##### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Chamber of commerce 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 my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of Management and Those Charged with Governance 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 of commerce'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 of commerce or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Chamber of commerce's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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.

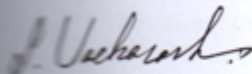


As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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 my 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 of commerce'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 of commerce's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Chamber of commerce 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is SOMCHIT WACHARARKIATI



Auditor, License No. 2775

Bangkok

September 5, 2018



THAI-FINNISH CHAMBER OF COMMERCE  
 STATEMENT OF FINANCIAL POSITION  
 AS AT JUNE 30, 2018

	NOTE	BAHT	
		2018	2017
<b>ASSETS</b>			
<b>Current assets</b>			
Cash in hand and cash equivalents	4	323,230.75	112,005.74
Other current assets		88,498.65	77,452.72
<b>Total current assets</b>		<b>411,729.40</b>	<b>189,458.46</b>
<b>Non-current assets</b>			
Equipment	5	55,378.51	16,236.79
Other non-current assets		27,700.00	27,700.00
<b>Total non-current assets</b>		<b>83,078.51</b>	<b>43,936.79</b>
<b>Total assets</b>		<b>494,807.91</b>	<b>233,395.25</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Other Accounts Payable	6	648,745.77	59,025.56
Income tax payable	7	20,901.52	27,395.91
Other current liabilities	8	69,783.60	4,503.50
<b>Total current liabilities</b>		<b>739,430.89</b>	<b>90,924.97</b>
<b>Total liabilities</b>		<b>739,430.89</b>	<b>90,924.97</b>
<b>Equity</b>			
Funds		991,681.91	991,681.91
Income over (deficit) expenses, accumulated		(1,236,304.89)	(849,211.63)
<b>Total equity</b>		<b>(244,622.98)</b>	<b>142,470.28</b>
<b>Total liabilities and equity</b>		<b>494,807.91</b>	<b>233,395.25</b>



CERTIFY TRUE AND CORRECT

  
 (MR. JARI JUHANI HIETALA)

PRESIDENT OF THAI-FINNISH CHAMBER OF COMMERCE

( 1 )

THAI-FINNISH CHAMBER OF COMMERCE  
STATEMENT OF EARNINGS  
FOR THE YEARS ENDED JUNE 30, 2018

	BAHT	
	2018	2017
<b>Income from :-</b>		
Membership fee	854,925.23	1,297,500.00
T-FCC events	644,152.33	296,285.07
Donations	18,210.00	34,300.00
Advertisement	270,000.07	821,018.69
Interest earned	984.70	1,310.39
Other Income	126,000.08	302,491.86
<b>Total Income</b>	<b>1,914,272.41</b>	<b>2,752,906.01</b>
<b>Expenses</b>		
Administrative expenses	2,301,365.67	2,990,619.74
<b>Income over (deficit) expenses for the year</b>	<b>(387,093.26)</b>	<b>(237,713.73)</b>

CERTIFY TRUE AND CORRECT

  
.....  
(MR. JARI JUHANI HIETALA)

PRESIDENT OF THAI-FINNISH CHAMBER OF COMMERCE

( 2 )

THAI-FINNISH CHAMBER OF COMMERCE  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED JUNE 30, 2018

	BAHT		
	FUNDS	INCOME OVER (LESS) EXPENSES, ACCUMULATED	TOTAL
Ending Balance of year 2016	991,681.91	(611,497.90)	380,184.01
Income over (deficit) expenses for the year	-	(237,713.73)	(237,713.73)
Ending Balance of year 2017	991,681.91	(849,211.63)	142,470.28
Income over (deficit) expenses for the year	-	(387,093.26)	(387,093.26)
Ending Balance of year 2018	991,681.91	(1,236,304.89)	(244,622.98)

CERTIFY TRUE AND CORRECT

  
.....  
(MR. JARI-JUHANI HIETALA)

PRESIDENT OF THAI-FINNISH CHAMBER OF COMMERCE

(3)

THAI-FINNISH CHAMBER OF COMMERCE  
 NOTES TO FINANCIAL STATEMENT  
 FOR THE YEARS ENDED JUNE 30, 2018

1. General Information

Thai-Finnish Chamber of Commerce is a non-profit organization which was established on September 21, 2535 in accordance with Chamber ACT B.E. 2509.  
 Office address is 184/2 Forum Tower, 3th Floor, Ratchadaphisek Road, Huai Khwang, Bangkok 10310

2. Summary of Significant Accounting Policy

2.1 Basis of preparation

This financial statements are prepared in accordance with generally accepted accounting principles in Thailand under the Accounting Act, B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act, B.E. 2547 and the Notification of Department of Business Development regarding the brief items to be shown in the financial statements, B.E. 2554 including Thai Financial Reporting Standards for the Non-Publicly Accountable Entities promulgated by the Federation of Accounting Professions No.20/2554 dated April 12, 2554.

2.2 Revenue

The Chamber recognises the income when the money received from various supports i.e. Donations and Advertisement. For Membership fee only is recognised on accrual basis.

2.3 Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets at the rate 20% per annum

2.4 No foreign currencies are recorded.

3. No obligation in the means of bank guarantee or any other commitments.

	BAHT	
	2018	2017
4. Cash in hand and cash equivalents :-		
Petty cash	5,964.50	4,392.00
Current account - Krung Thai Bank	1,000.00	1,000.00
Saving account - Krung Thai Bank	316,266.25	106,613.74
Total	323,230.75	112,005.74

CERTIFY TRUE AND CORRECT

  
 (MR. JARI JUHANI HIETALA)

PRESIDENT OF THAI-FINNISH CHAMBER OF COMMERCE

( 4 )

THAI-FINNISH CHAMBER OF COMMERCE  
 NOTES TO FINANCIAL STATEMENT  
 FOR THE YEARS ENDED JUNE 30, 2018

ii. Equipment

	BAHT			
	At	Additions	Transfers	At
	July 1, 2017			June 30, 2018
<b>Cost</b>				
Office equipment	228,415.31	49,986.54	-	278,401.85
<b>Total</b>	228,415.31	49,986.54	-	278,401.85
<b>Accumulated depreciation</b>				
Office equipment	(212,178.52)	(10,844.82)	-	(223,023.34)
<b>Total</b>	(212,178.52)	(10,844.82)	-	(223,023.34)
<b>Net book value</b>	16,236.79	39,141.72	-	55,378.51
<b>Depreciation for the year</b>	5,733.99			10,844.82

	BAHT	
	2018	2017
	<b>Other Accounts Payable</b>	
Social security contribution payable	-	1,500.00
Audit fee	11,000.00	11,000.00
Income received in advance	443,524.26	41,845.56
Accrued Expenses	194,221.51	-
Professional fee	-	4,680.00
<b>Total</b>	648,745.77	59,025.56

CERTIFY TRUE AND CORRECT

  
 (MR. JARI JUHANI HIETALA)

PRESIDENT OF THAI-FINNISH CHAMBER OF COMMERCE

( 5 )



THAI-FINNISH CHAMBER OF COMMERCE  
 NOTES TO FINANCIAL STATEMENT  
 FOR THE YEARS ENDED JUNE 30, 2018

7. Income tax computation

FOR 2017

INCOME	AMOUNT	TAX RATE	TAX PAID
From membership fee	854,925.23	EXEMPTED	-
From T-FCC events	644,152.33	2%	12,883.05
From donations	18,210.00	EXEMPTED	-
From advertisement	270,000.07	2%	5,400.00
From interest earned	984.70	10%	98.47
From other income	126,000.08	2%	2,520.00
Total			<u>20,901.52</u>
		less Withholding tax deducted at source	-
		Income Tax Payable	<u><u>20,901.52</u></u>

FOR 2017

INCOME	AMOUNT	TAX RATE	TAX PAID
From membership fee	1,297,500.00	EXEMPTED	-
From T-FCC events	296,285.07	2%	5,925.70
From donations	34,300.00	EXEMPTED	-
From advertisement	821,018.69	2%	16,420.37
From interest earned	1,310.39	10%	131.04
From other income	302,491.86	2%	6,049.84
Total			<u>28,526.95</u>
		less Withholding tax deducted at source	( 1,131.04)
		Income Tax Payable	<u><u>27,395.91</u></u>

BAHT

8. Other current liabilities

	2018	2017
Vat payable	69,484.32	1,050.00
Withholding tax payable	299.28	2,453.50
Total	<u><u>69,783.60</u></u>	<u><u>4,503.50</u></u>

CERTIFY TRUE AND CORRECT

  
 (MR. JARI JUHANI HIETALA)

PRESIDENT OF THAI-FINNISH CHAMBER OF COMMERCE

(6)

THAI-FINNISH CHAMBER OF COMMERCE  
 SPECIFICATION OF ADMINISTRATIVE EXPENSES  
 FOR THE YEARS ENDED JUNE 30, 2018

	BAHT	
	2018	2017
Remuneration	159,056.11	530,000.00
T-FCC events	1,060,178.71	486,403.83
Consulting fee	779,170.00	840,000.00
Commission	-	218,950.00
Marketing expenses	-	36,965.15
Directory project costs	-	109,469.56
Social securities contribution	1,500.00	9,000.00
Workman compensation fund	-	1,292.48
Postages, local and overseas	2,652.00	8,354.00
Stationery and printing forms	8,687.06	4,266.78
Office rent	48,110.00	192,000.00
Printing materials	3,120.00	283,048.00
Communications	13,063.72	12,923.73
Income taxes	20,901.52	28,526.95
Transportations	35,014.70	7,111.60
Bank charges	3,706.66	8,215.52
Audit fee	11,000.00	11,000.00
Professional fee	54,000.00	54,000.00
Membership and subscription fee	30,000.00	80,000.00
Miscellaneous expenses	10,267.87	2,227.43
Depreciations	10,844.82	5,733.99
Penalty and fine fee	1,316.50	178.72
Tax-Paid by Company	48,776.00	21,652.00
Donation	-	39,300.00
Total	2,301,365.67	2,990,619.74

CERTIFY TRUE AND CORRECT

  
 (MR. PORNPRACHA WATTANAKIJSIRI)

PRESIDENT OF THAI-FINNISH CHAMBER OF COMMERCE

( 7 )



## 6. TFCC's financial statements of the fiscal year which started on 1 July 2017 and ended on 30 June 2018

The presentation is based on financial statements reported monthly by accounting company Phatra Accounting & Law Co., Ltd. and Annual Report 2561 by independent auditor Sirimongkol Certified Public Accountant Office. The auditor concluded in the report that financial statements are presented fairly, in all material respects, and the TFCC's financial performance for the year ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

### Result, assets and liabilities

Our result (income over expenses) was -387,093.26 THB compared to -237,713.73 THB in the previous fiscal year. Total assets were 494,807.89 THB compared to 233,395.25 THB in the previous fiscal year. Total Liabilities and Equity were 494,807.91 THB compared to 233,395.25 THB in previous fiscal year.

### Income

Total income were 1,914,272.41 compared to 2,752,906.01 THB in the previous fiscal year. Our income was 30 % lower than previous fiscal year. Fees from Partners and Members were biggest income category with 854,925.23 THB (45% of the total income) compared to 1,297,500.00 THB (47% of the total income) in the previous fiscal year. The second biggest category were TFCC Events of 644,152.33 THB (34% of total income) compared to 296,285.07 THB (11% of total income) in the previous fiscal year.

### Expenses

Total expenses were 2,301,365.67 THB compared to 2,990,916.74 THB in the previous fiscal year. Our expenses were 23% lower than previous fiscal year. The biggest categories were TFCC Events fees 1,060,178.71 THB (46% of total expenses) and Consulting Fees 779,170.00 THB (34% of total expenses).

### Cash

The cash in hand and cash equivalents was 323,230.75 THB compared to 112,005.74 THB in the previous fiscal year.

### Treasurer's observation

Cash flow was the most important metric to focus operationally as we lack sufficient cash reserves. Cash flow forecast was continuously updated and reported in monthly Board Meetings.

We had an operational challenge to manage financial reporting together with Phatra to Revenue Department as we didn't have Office Manager from October to April. Some monthly reports were delayed which resulted in tax penalties.

Membership income reduced although the total number of members increased. The increased number of Corporate Members didn't fully compensate the reduced income from Partners.

We entered services business by selling investor information to Business Finland.

Cost savings were achieved by reduction of consulting cost and savings in Office Manager's salary.

The reported income excludes income from payees who haven't delivered proper documentation of their payments in time. The value of this is 201,274 THB and receipts will be delivered afterwards. With this correction our actual financial result would be -185,819 THB.

The reported expenses include 200,000 THB cost that occurred after the fiscal year ended. When we compare year-to-year performance this cost could be excluded from the financial year results. With this correction the comparable financial result would be positive 14,180 THB.

**Treasure's guidance for on-going fiscal year**

Firstly, improve our financial stability by increasing our cash reserves into healthier level. Therefore, we need to find new sustainable income sources, e.g. in services as our strategy states. Board Members are expected to contribute. We also need to continue with tight expense policy.

Secondly, improve our productivity. We have very limited human resources - just two full-time employees - and it's desirable to increase their time in productive work and reduce the routine efforts to minimum. Therefore, we need to rationalise the workflow especially in time consuming banking and accounting processes.

Thirdly, optimise and automate our financial and other processes and tools. This enables better productivity and also better reporting quality. Therefore, we need to review our processes & tools and introduce best practices and better governance.

***Antti Rahikainen***  
***Treasurer***

## 7. Elections to the Board

After the TFCC AGM on September 19th, the following decisions were made right after the AGM in the first new Board meeting:

Nominations:

- Mr. Jari Hietala was nominated as President of Thai-Finnish Chamber of Commerce during the next term 2018-2019
- Mr. Antti Aromäki was nominated as Vice-President of Thai-Finnish Chamber of Commerce during the term 2018-2019
- Mr. Antti Rahikainen was nominated as Treasurer of Thai-Finnish Chamber of Commerce during the term 2018-2019
- The next Board meeting was scheduled on October 3rd, 4.30-6.00 pm in the Wissen and Co. Ltd meeting room

### The Board of Directors of Thai-Finnish Chamber of Commerce 2018-2019

- President: Mr. Jari Hietala
- Vice-President: Mr. Antti Aromäki
- Treasurer: Mr. Antti Rahikainen
- Director: Dr. Auvo Finne
- Director: Mr. Jukka Katajajarju
- Director: Mr. Jorma Manninen
- Director: Ms. Tiina Sipilä-Simawit
- Director: Mr. Wichien Harnpraween
- Director: Mr. Ville Majanen

## 8. Appointment of the Auditor

The meeting approved to start using the services of KlarAcc Company Ltd. Whose service fee is 4,500 baht/month and 1,000 baht/month for issuing the monthly management reports in English. The audit service fee is 15,000 baht/year including the audited financial statements in Thai and in English.

Certified Accountant: Ms. Siriwan Kobsucharoen, CPD License number 3102200071641

Certified Auditor: Ms. Tharattaporn Khummek, CPA License number 11890

## 9. Other Business

There was no other business.

## 10. Closing of the meeting

The meeting was closed at 6.45 pm by Mr. Jari Hietala and it was approved by all individuals in the AGM.

**Mr. Jari Hietala**  
*President of TFCC and Chairman of the meeting*

**Mr. Karri Kivelä**  
*Secretary*



**The Board of Directors and the Staff Members of TFCC, from left to right:**

- Director: Mr. Wichien Harnpraween
- Executive Director Mr. Karri Kivelä
- Director: Mr. Jorma Manninen
- Vice-President: Mr. Antti Aromäki
- Director: Mr. Ville Majanen
- President: Mr. Jari Hietala
- Director: Mrs. Tiina Sipilä-Simawit
- Director: Dr. Auvo Finne
- Director: Mr. Jukka Katajajarju
- Treasurer: Mr. Antti Rahikainen
- Office Manager: Ms. Kewalin Kiatchusak
- Intern: Ms. Milla Laine



