

# **Financial Reporting Preparation Manual**

## **Thrift and credit Cooperatives**

**Cooperative Auditing Department**  
**Office of Accounting and Auditing Standard**

## **Preface**

The financial statements are a formal presentation of the financial position and results of operations of the cooperatives which have objectives to disclose information relating to their financial position and operating results as well as the relevant information disclosed in notes to the financial statements. Those financial statements are useful for economic decision making of cooperatives' members and other financial users. Moreover, they represent management operating results of cooperatives' committees as well.

This Financial Reporting Preparation Manual has been made to facilitate the types of cooperatives thrift and credit cooperative and credit union cooperative operating the business only credit and cash deposit to prepare their financial statements in the same standard. The important content of this manual is the financial presentation reporting format determined by the Cooperative Auditing Department which comprises the statement of financial position, statement of income, statement of cash flows, notes to the financial statements and other explanatory notes as well as financial statement presentation format for the cooperatives

The Cooperative Auditing Department strongly believes that this financial reporting preparation manual will be definitely useful for cooperatives, relating parties as well as interested public.

**The Cooperative Auditing Department**  
**Office of Accounting and Auditing Standard**  
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# **Statement of Financial Position**

- ◆ **Statement of Financial Position Format**
- ◆ **Explanation for the Statement of Financial Position Items**

## Cooperative.....

## Statement of Financial Position

As at.....

		<u>Year 20...</u>	<u>Year 20...</u>
	<u>Notes</u>	<u>Baht</u>	<u>Baht</u>
<b><u>Assets</u></b>			
<b>Current Assets</b>			
Cash and deposits at financial institutions	2	_____	_____
Deposit at other Cooperatives	3	_____	_____
Cash Payment in - transit		_____	_____
Short - term investment	4	_____	_____
Short - term loans - net	5	_____	_____
Short - term account receivables - net	6	_____	_____
Accrued interest receivables - net	7	_____	_____
Other current assets	8	_____	_____
<b>Total Current Assets</b>		<b>_____</b>	<b>_____</b>
<b>Non-Current Assets</b>			
Long-term invesment	4	_____	_____
Long-term loans - net	5	_____	_____
Long-term account receivables - net	6	_____	_____
Property, plant and equipment - net	9	_____	_____
Intangible assets	10	_____	_____
Other non-current assets	11	_____	_____
<b>Total Non-Current Assets</b>		<b>_____</b>	<b>_____</b>
<b>Total Assets</b>		<b>_____</b>	<b>_____</b>

	<u>Notes</u>	<u>Year 20...</u> <u>Baht</u>	<u>Year 20...</u> <u>Baht</u>
<b><u>Liabilities and Cooperative Shareholders' Equity</u></b>			
<b>Current Liabilities</b>			
Bank overdraft and short-term loans	12	_____	_____
Current portion of long term-loan due within one year	15,16	_____	_____
Deposits	13	_____	_____
Accrued subscription to the Cooperative League of Thailand		_____	_____
Other current liabilities	14	_____	_____
<b>Total Current Liabilities</b>		<b>_____</b>	<b>_____</b>
<b>Non-Current Liabilities</b>			
Long-term loans	15	_____	_____
Hire-purchase payable	16	_____	_____
Other non-current liabilities	17	_____	_____
<b>Total Non-Current Liabilities</b>		<b>_____</b>	<b>_____</b>
<b>Total Liabilities</b>		<b>_____</b>	<b>_____</b>
<b>Cooperative Shareholders' Equity</b>			
share capital (Baht.....per share)		_____	_____
Reserves fund		_____	_____
Legal reserves	18	_____	_____
Unrealised gain (loss) on investment	19	_____	_____
Surplus on asset valuation		_____	_____
Retained earnings (deficits)		_____	_____
Net Profit (loss) for the year		_____	_____
<b>Total Cooperative Shareholders' Equity</b>		<b>_____</b>	<b>_____</b>
<b>Total Liabilities and Cooperative Shareholders' Equity</b>		<b>_____</b>	<b>_____</b>

Notes to the financial statements are an integral part of these financial statements.

(Signed) .....  
(.....)

President

(Signed) .....  
(.....)

Secretary

## Explanation for the Financial Statement Preparation

### Explanation for the Statement of Financial Position Item

The presentation in the statement of financial position for the cooperatives type savings and credit union which operate their business only credit and cash deposit shall follow the aforementioned forms correctly as per their types and scopes as the followings:

#### Heading of the statement of financial position

As at..... the fiscal year-end date of the current year e.g. As at March 31, 2014 etc.

#### Assets

mean that the tangible assets or intangible assets which are controlled by the cooperatives as a result of past events that may acquire from buying, building, making, leasing, or donation and the cooperatives will receive the future economic benefits from direct or indirect flows of cash or cash equivalent, including they are able to be valued reasonably.

**Assets** comprise the followings:

1. Current assets
2. Non-current assets

**1. Current assets** mean Cash or assets that the cooperatives held for sale or use for the normal operation and expect to receive the benefit of such assets within 12 months after the date of the statement of financial position. If the cycle of normal operation of the cooperative is less than 1 year, it is mandatory to use 1 year consideration for classification of current assets.

#### **1.1 Cash and deposits at financial institutions**

**Cash** means bank notes and coins that the cooperative has including cheque in-transit, travel cheque, bank draft, postal order and money order but excluding postal stamp, duty stamp, post dated cheque, borrowing document and financial documents e.g. bill of exchange, government bonds, bond share certificate, and etc.

**Deposits at financial institutions** means every type of deposits at bank including certificate of deposit, Government Savings Bank's Lottery, Thaweessin lottery or others, issued by banks and financial institutions.

◆ **Certificate of deposit** is notes that can be convertible at commercial banks or investment companies. It is issued for depositor as the evidence of deposit money and presented the right of the notes holders to receive return of the deposit when it ends of the determined date. It can bear interest or not.

◆ **Government Savings Bank's Lottery** is the special savings deposit from the Government Savings Bank. The buyer of Government Savings Bank's lottery has rights to win the rewards as the Bank determined. The limit terms for withdrawing each type of lottery are different and it can be withdrawn before the due date but the refund will be decreased as the Bank determined.

◆ **Thaweesin Loterry or others issued by banks and financial institutions** is the saving deposit service which the buyer has right to win the rewards as the Bank determined. The limit terms for withdrawing each type of lottery are different and it can be withdrawn before the due date.

**Cash shortage shall be presented solely in the line next to Cash and Deposits at financial institutions. The presentation of cash shortage will be cash shortage deducted by allowance for cash shortage as follow:**

Cash and deposits at financial institutions	_____
Cash shortage	50,000.00
	_____
<u>Less</u> Allowance for cash shortage	50,000.00
	_____
	0.00
	_____

**1.2 Deposit at other cooperatives** means the money that the cooperative makes deposit with the Cooperative Federation and other cooperatives

In case of having only deposit of the Cooperative Federation, it shall be stated as "Deposit of the Cooperative Federation" instead of "Deposit at other cooperatives"

**1.3 Cash Payment in-transit** means the money for settlement but cannot be identified which amount is interest or principal or it has not received the settlement evidence.

**1.4 Investment** means the securities that the cooperative held for the future benefit in term of income or other benefits. It is the investment which can be invested according to the cooperatives' laws or the requirement of Board of National Cooperative Development (NCD) e.g. shares of Cooperative Federation, shares of the bank who has objectives for financial supporting to the cooperatives, government bonds/state of enterprise bonds, bill of exchange of the Cooperative Federation, the first Vayupak fund, bank bonds, etc.



**Short-term investment** means the securities that cooperatives will hold less than 1 year and will sell when it needs cash and the current portions of the long-term investment that will be redeemed within next one accounting period.

**The classification of investment and the valuation as of the end of accounting period**

**1.4.1 Marketable securities** mean securities or investment which are being traded in the Stock Exchange of Thailand or other markets that the prices are public e.g. shares of the listed company in the Security market, shares of the commercial banks and financial institutions, bank bonds which is trade among banks which the price are public, etc. The valuation is based on fair value and net with the allowance for the valuation of investment.

**1.4.2 Non-marketable securities** mean securities of investment which are not being traded in the Stock Exchange of Thailand or other markets that the prices are public e.g. share of Cooperative Federation, bill of exchange of Cooperative Federation, etc. The valuation is based on cost method.

**1.5 Short-term loans-net** mean the lending money in all kinds to other cooperatives and to members which have lending contract as evidence. The amount is outstanding balance with the cooperative deducted with the allowance for doubtful accounts (spare for uncollectable Account receivables) and allowance for discrepancy debt (set up for Account receivables that the sub accounts has total amount more than controlling accounts').

**1.6 Short-term account receivables –net** mean the rights to claim from others in term of cash, goods, or other services which have payment period within the next 1 year accounting cycle, including all kinds of the due account receivables but has not been paid. The amount is deducted with the allowance for doubtful accounts and allowance for discrepancy debt. The Short-term account receivables - net compose of any receivables as follows:

- ◆ **Note receivable** means receivable for goods and services from the cooperative sells goods or provides service and receives the payment from customer in for form of note receivable.

- ◆ **Withheld agent receivable** means units or persons that a cooperative has assigned as its representative to charge the cooperative's members for the monthly payment e.g. monthly cumulative amount for shares, loan settlements as well as first entrance fee which is subject to withhold and is to report the cooperative but the agent has not done yet or partially reported.

◆ **Other receivable** means the receivables that cannot be classified into above receivables e.g. advance for committees and officers that borrow from the cooperatives including the liability that committee and officers have with the cooperatives in any kinds, e.g. cash shortage receivables inventory shortage receivables (which having document of the acceptance of fault to cooperatives), the deviation of receivables (differences of total amount of sub accounts less than of controlling accounts), receivable in prosecute (the receivables had a legal action to the court and court had notification of such legal action), judgment debtors (the receivables had prosecute and the court had judgment or compromising contracts for return money to cooperative, etc.

**Important criteria for the presentation of receivables**

◆ The receivables which have outstanding in credit balance (occurring from over payment) shall be presented in other current liabilities

◆ In case only receivable, no allowance for doubtful accounts and no allowance of discrepancy receivable, the presentation shall be indicated the type of receivable, not stated “net” and not presented in notes to financial statements

◆ In case all types of receivables have the whole amount of allowance for doubtful accounts, it shall present each type of receivable explicitly with the deduction with the allowance of doubtful accounts as follow:

Short-term investment	.....
Cash shortage receivables	5,000.00
Withheld agent receivable	8,000.00
Judgment debtors	58,000.00
Total	<u>71,000.00</u>
<b>Less</b> Allowance for doubtful accounts	<u>71,000.00</u>
	<u>0.00</u>

Note: No note to disclose into the financial statements.

◆ In case the current year the Cooperative has fully recorded amount of allowance for bad debt but partially for last year, it shall be presented based on current year, specifying each type of receivable explicitly with the deduction with the allowance of bad debt as follow:

	<u>Current Year</u>	<u>Previous Year</u>
Short-term investment	.....	.....
Cash shortage receivables	5,000.00	5,000.00
Withheld agent receivable	8,000.00	8,000.00
Judgment debtors	58,000.00	58,000.00
Total	<u>71,000.00</u>	<u>71,000.00</u>
<u>Less</u> Allowance for doubtful accounts	<u>71,000.00</u>	<u>63,000.00</u>
	<u>0.00</u>	<u>8,000.00</u>

Note: No note to disclose into the financial statements.

◆ In case all types of receivables have the partial amount of allowance for bad debt in the current year, but have the whole amount in the prior year. It shall present by aligning with the current year as normal format as follow:

	<u>Current Year</u>	<u>Previous Year</u>
.....	.....	.....
Short-term investment	.....	.....
Short-term account receivables–net	.....	.....
.....	.....	.....

**1.7 Accrued Interest receivables–net** mean the interest from lending money to members or other cooperatives in all kinds that the receivables are unpaid to the cooperatives deducted with the allowance for doubtful accounts

In case of no allowance for doubtful accounts, it shall not be presented “net” and no notes needed for the financial statements.

**1.8 Other current assets** mean

1.8.1 Ending supplies mean the minor parts used for the production of goods They might be component or ingredient e.g. chemical products, fuel oil, lubricate oil, etc. They are included the brought things or acquired for normal operation of the cooperative which will be used up in the short period e.g. stationery, office supplies, etc.

1.8.2 Advance payment e.g. advance rental payment, advance insurance payment, etc.

1.8.3 Accrued income e.g. accrued fine (presenting the accrued amount less allowance for doubtful accounts), accrued rental income, accrued commission income, etc

1.8.4 Deferred refund of overpayment debt or account payable in debit balance

1.8.5 Dividend and average money refund deviation

1.8.6 Property foreclosed means the assets belonging to the cooperative as receiving from debt payment or the assets that were mortgaged with the cooperative, were brought from the auction by orders of the writ or from the official receivers.

1.8.7 Other current assets that are not presented in item No. 1.1-1.7

For the advance payment for lawsuit, when it is explicitly known that the lawsuit will be ended within 1 next accounting year, the advance payment for lawsuit of such part that the lawsuit will be ended up shall be presented as other current asset.

When the item in other current assets has amount not less than 5% of total other current assets, it shall be presented solely item as such current asset by indicating clearly name and rank it before the item "other current assets" as the example below:

.....	.....
Accrued Interest receivables–net	30,000.00
Advanced insurance payment	20,000.00
Other current assets	1,500
Total current assets	<u>300,000.00</u>

In case of the item of 5% of total current assets of current year differs from amount of the prior year, the current year will be the main for presentation.

In case of other current asset has only one item, it shall indicate the name of such other current asset instead of "Other current assets" as the example as below:

.....	.....
Accrued Interest receivables–net	30,000.00
Advanced insurance payment	20,000.00
Total current assets	<u>300,000.00</u>

**2. Non-current assets** mean assets which are not tangible and intangible current assets, monetary assets and long-term specific operating assets. Normally, the expectation period to receive the benefit of such assets will be more than 12 months after the date of the statement of financial position.

**2.1 Long-term investment** mean the securities that the cooperative has intention to hold more than 1 year, and the securities that have no due date for redemption. Also, it is the investment which can be invested according to the cooperatives' laws or the requirement of Board of National Cooperative Development (NCD).

**2.2 Long-term loans-net** mean the money that lends to other cooperatives and to members in all kinds which have the repayment period more than 12 months after the date of balance sheet.

**2.3 Long-term account receivables-net** mean the receivables that have aging of debt or right to claim that will not be due in the next accounting period, less the allowance for doubtful accounts.

**2.4 Property, plant and equipment-net** mean tangible assets which the cooperatives hold for production for distribution of goods, rendering rental service, for the operation which expect to receive the benefit more than 1 accounting year including things that keep for maintenance or repairmen. Thus it shall be the assets held for sale, it can be classified as follow:

2.4.1 Assets that no need to be deducted with depreciation e.g. land

2.4.2 Assets that need to be deducted with depreciation e.g. building, construction, vehicles, office equipment (including computers and accessories), etc. They will be presented the net balance with the accumulative depreciation.

When the cooperative has one item of Property, plant and equipment, it should be indicated name instead of "Property, plant and equipment-net "

For the cooperatives held for the notification of the cooperative registrar' regulation according to accounting of cooperative B.E.2542 and recording depreciation by deducting directly to total fixed assets, it shall be presented assets with book value.

**2.5 Intangible assets** mean the assets that is invisible and not physical, it has characteristic in any rights according to laws. They are presented as net balance with amortization expenses of intangible assets as follow:

**2.5.1 Leasehold** means the right of tenant has directly on property that rent from the owner which the tenant shall pay the leasehold with the huge amount. Thus most leasehold will be long-term rental.

**2.5.2 Right for utilization of plant, property, equipment and others** mean right that the cooperative has benefit in plant, property, equipment and others with no ownerships in such assets. The cooperative shall pay the money for getting such right.

**2.5.3 Software rights** mean right for using software that belong to others.

It shall present about the source of using right and useful life in note to financial statement.

In case of the intangible asset has one item, it shall be indicated name of intangible asset instead of intangible asset per examples as below:

Property, plant and equipment - net	.....
Rights for building utilization	50,000.00
Other non-current assets	.....
	<hr/>
Total assets	80,000.00
	<hr/>

**2.6 Other non-current assets** means other non-current assets besides the item No. 2.1 -2.5 which comprise the followings:

**2.6.1 Prepaid expenses** are expenses or costs that have benefit to the cooperative more than 1 accounting period, e.g. improvement, decoration, repairmen of assets that spend the huge amount, etc. However, the prepaid expenses are excluded the huge amount of damage loss and occurred losses that have intention to amortize as expense for more than 1 accounting period in order to not affect to net income.

The presentation of the prepaid expenses will be net balance with adjustment of partial amortization to expenses.

**2.6.2 Other non-current assets**, e.g. land which is unused in operation of current year and no intention to dispose, land pending for extension, deposit, retention money, advance for lawsuit for the portion that will be process more than 1 year , etc.

When the item in other non-current assets has amount not less than 5% of total assets, it shall be presented solely item as such other non-current asset by indicating clearly name and rank it before the item “other non-current assets” as the example below:

Property, plant and equipment - net	.....
Intangible assets	.....
Retention	5,000.00
Other non-current assets	.....
	<hr/>
Total assets	80,000.00
	<hr/>

In case of the item of 5% of total non-current assets of current year differs from amount of the prior year, the current year will be the main for presentation.

In case of other current asset has only one item, it shall indicate the name of such other non-current asset instead of “Other non-current assets” as the example as below:

Property, plant and equipment - net	.....
Intangible assets	.....
Retention money	1,000.00
Total assets	<u>80,000.00</u>

It is not required to present note to financial statement.

## Liabilities and Cooperative Shareholders' Equity

### Liabilities

mean the current commitment of cooperative which are result of accounting transaction and events in the past. It might occur from the normal operation or the trading tradition. The cooperative shall pay the commitment with assets or service e.g. cash payment, transferring assets, rendering of service and value of commitment which need to pay can be reasonable measured.

**Liabilities** comprise the followings:

1. Current liabilities
2. Non-current liabilities

**1. Current Liabilities** mean liabilities which have payment period within 12 months after the date of statement of financial position or within the cycle of normal operation of cooperatives. It is expected to pay by current assets or has other current liabilities. Certain liabilities should be classified as current liabilities even it will be due in more than 12 months after the date of statement of financial position e.g. Trade accounts payable, other accrued expenses due to it is the portion of working capital spending in the normal operation cycle of the cooperatives.

#### **1.1 Bank Overdraft and short-term loans**

1.1.1 **Bank Overdraft** mean the money that cooperative has debt with the bank which occurred from the withdraw more than the deposit by making overdraft agreement with the bank as an evidence.

1.1.2 **Short-term loans** mean short-term debt from borrowing by making borrowing agreement as evidence.

It shall present item No.1.1.1 and 1.1.2 in the same item

**1.2 Trade account payables** mean the commitment that shall be paid for goods and services that the cooperative receives in normal trading transactions.

**1.3 Current portion of long term-loans due within one year** mean the current portion of non-current liabilities that will be due within the next 1 year including the portion of non-current liabilities that exceed the payment due but not yet paid

**1.4 Deposits** mean the money that the cooperative receives from members and other cooperatives, which are saving, special saving, fixed deposit and other deposits.

**1.5 Accrued subscriptions to the Cooperative League of Thailand** means the money that cooperatives allocate from annual net income for payment the maintenance fee to the Cooperative League of Thailand according to laws but the cooperative has not yet pay to the Cooperative League of Thailand.

**1.6 Other Current liabilities** mean accrued expenses, advance income, advance, dividend/accrued average refund, accrued refund, account receivable in credit balance and non-current liabilities which are not included in items No. 1.1-1.5.

When the item in other non-current liabilities has amount not less than 5% of total current liabilities, it shall be presented solely item by indicating clearly name and rank it before the item of other non-current liabilities by presenting the same as the example given in “Other current assets” and if the item 5% of other non-current liabilities of the current year differs from amount of the prior year, the current year will be the main for presentation.

In case of other current liability has only one item, it shall indicate the name of such other non-current liability instead of “Other non-current liabilities”, the same as the example given in “Other current liabilities”

**2. Non-Current liabilities** represent liabilities which are due more than 12 months since the date of statement of financial position or in excess of normal operating period of cooperative.

**2.1 Long-term loans** represents long-term liability deriving from borrowing by entering into loan agreement as evidence less current portion of long-term loans (which is separately presented in No. 1.3)

**2.2 Hire-purchase payable** represents commitment which cooperative has to settle assets cost according to installment plan.

**2.3 Other non-current liabilities** represent liabilities which cannot be presented under current liabilities. For instance; pension of employee, security deposit of officer, retention, donation with specific purpose, fund or other funds deriving from amortization for the year, etc.



In case of certain other non-current liabilities balance is more than 5% of total liabilities, such non-current liabilities has to be separately presented with specific name and sequenced prior other non-current liabilities by presenting similar transaction according example provided in “Other non-current assets” transaction. If 5% transaction of other non-current liabilities of current year and prior year is unequal, current year transaction will be a base for presentation.

If there is a single other non-current liabilities and its balance is more than 5% of total liabilities, such other non-current liabilities name has to be specified superseding “Other non-current liabilities” transaction by presenting similar transaction according example provided in “Other non-current assets”.

**Cooperative Shareholders' Equity**

represents membership portion holding cooperative's shares which comprise of:

1. **Share capital** represents share amount which membership already paid. It should be split into 2 transactions; fully paid up share capital and partially paid up share capital. Fully paid up share capital shall be presented and delete other transaction if cooperative has normal share capital only.
2. **Reserve fund** represents capital of cooperative deriving the appropriation of net profit for the year which cooperative appropriates according to regulation including subsidy or assets which cooperative obtains from donation with unspecified purpose, transfer fund from other accumulated fund which appropriated for assets acquisition and already acquired, outstanding balance of transfer fund from other accumulated fund at the completion of fund objective. However, reserve fund can be withdrawn from account for compensating loss or in order to appropriate to reserve fund account to newly registered cooperative which is separate from an existing cooperative.

Cooperative shall present reserve fund less net loss in case of facing loss.

3. **Legal reserves** represents capital of cooperative which is appropriated from net profit for the year according to regulation in order to compensate to cooperative's member, board and officer or for certain operation according to regulation, rules and others which are public interest fund, cooperative scholarship & seminar fund, fund for expansion, support fund, welfare promotion fund including fund or other funds deriving from amortization of the year and the appropriation from net profit of the year in aggregate.

**4. Unrealized gain (loss) on investment**

**4.1 Unrealized gain on investment** represents the difference between total net book value (total cost) of marketable investment which is lower than fair value of such investment and it is treated as surplus on the change of investment value. Suspense account is required until investment is sold; then, cooperative recognizes the difference as income in statement of income.

**4.2 Unrealized loss on investment** represents the difference between total net book value (total cost) of marketable investment which is higher than fair value of such investment and it is treated as discount on the change of investment value. Suspense account is required until investment is sold; then, cooperative recognizes the difference as expense in statement of income.

The presentation of unrealized gain (loss) on investment shall be presented difference of the aforementioned 2 cases. Loss shall be presented parentheses.

**5. Surplus on asset valuation** represents the difference between book value of assets required to appraise by increasing to fair value of such assets. Surplus on assets appraisal is transferred to reserve fund account proportionated to realize transaction when assets is used. The realized portion calculated from the difference depreciation calculated from net book value of new appraised value and depreciation of historical cost. In case of sell or abolish to use new appraised assets, such surplus on assets appraisal according to residual amount to reserve fund account.

**6. Retained earnings (deficits)** represent net income (loss) for the year which is excess to reserve fund and figures shall be presented in parenthesis.

**7. Net profit (loss) for the year**

**Net profit (loss)** represents operational performance of cooperative during accounting period and calculated by comparing revenue to expense of cooperative. If revenue is higher than expense, it is net profit and vice versa if expense is higher than revenue, it is net loss. It is a last transaction presented in statement of income and net loss is presented in parenthesis in case of operational performance is loss. Cooperative can withdraw existing reserve fund to compensate net loss.

**Net profit for the year** represents remaining of net profit which is deducted to deficit as a resulting from that net profit is higher than deficit.

# **Statement of income**

- ◆ **Statement of Income Format**
- ◆ **Explanation for the Statement of Income Items**

Cooperative.....

Statement of Income

Fot the year ended.....

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
<b>Interest and Investment Incomes</b>				
Interest income form loan	_____	_____	_____	_____
Interest income from deposit	_____	_____	_____	_____
Investment income	_____	_____	_____	_____
Gain on investment	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total Interest and Investment Incomes</b>	_____	100	_____	100
<b>Interest and Investment Expenses</b>				
Interest expense from deposit received	_____	_____	_____	_____
Interest expense from short-term loan	_____	_____	_____	_____
Interest expense from long-tem loan	_____	_____	_____	_____
Loss on investment	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total Interest and Investment Expenses</b>	_____	_____	_____	_____
<b><u>Less Doubtful accounts and bad debt</u></b>				
Doubtful debt from loan receivable	_____	_____	_____	_____
Doubtful debt from deferred interest receivable	_____	_____	_____	_____
Bad debt - loan receivable	_____	_____	_____	_____
Bad debt - accrued loan interest receivable	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total doubtful accounts and bad debt</b>	_____	_____	_____	_____
<b>Interest and investment Incomes - Net</b>	_____	_____	_____	_____

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
<b><u>Add Other Incomes</u></b>				
Entrance fee	_____	_____	_____	_____
Rewards from other lots.....	_____	_____	_____	_____
Interest income per adjudication	_____	_____	_____	_____
Gain on sales of assets	_____	_____	_____	_____
Recovery from doubtful debt on loan receivable	_____	_____	_____	_____
Recovery from doubtful debt on deferred interest receivable	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total Other Incomes</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
<b><u>Less Operating Expenses</u></b>				
<b>Officers' Expenses</b>				
Salaries	_____	_____	_____	_____
Transportation allowance	_____	_____	_____	_____
Officers' pension	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Property, Plant and Equipment Expenses</b>				
Depreciation	_____	_____	_____	_____
Amortization..... (property, plant and equipment)	_____	_____	_____	_____
Maintenance expense - plant and equipment	_____	_____	_____	_____
Insurance expenses	_____	_____	_____	_____
Loss on sales of assets	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Expenses Relating Members</b>				
Welfare	_____	_____	_____	_____
Member supporting expenses	_____	_____	_____	_____
Training expenses	_____	_____	_____	_____
_____	_____	_____	_____	_____

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
<b>Other Operating Expenses</b>				
Meeting allowance	_____	_____	_____	_____
Entertainment	_____	_____	_____	_____
Stationery expense	_____	_____	_____	_____
General meeting expense	_____	_____	_____	_____
Remunerations on Cooperative's business supervisors	_____	_____	_____	_____
Audit fee	_____	_____	_____	_____
Utilities	_____	_____	_____	_____
Telephone and postage	_____	_____	_____	_____
Doubtful debt - receivable per adjudication	_____	_____	_____	_____
Doubtful debt - receivable under litigation process	_____	_____	_____	_____
Doubtful debt - interest per adjudication	_____	_____	_____	_____
Bad debt - receivable per adjudication	_____	_____	_____	_____
Bad debt - receivable under litigation process	_____	_____	_____	_____
Bad debt - interest per adjudication	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Other expenses	_____	_____	_____	_____
<b>Total Operating Expenses</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
<b>Net Profit (Loss)</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

<b>Explanation for the statement of Income Items</b>
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The statement of income presentation of the saving and credit union cooperatives which are operating only in credit providing and deposit business shall follow the aforementioned guidelines and the following types and definitions.

<b>Heading of the statement of income</b>
---

For the year ended..... (the fiscal year-end date of the current year) e.g. For the year ended March 31, 2014.

*Elements of the Statement of Income*

**1. Interest and Investment Incomes** can be separated by

**1.1 Interest income from loan** means the fee charged by a lender to a borrower for the use of borrowed money including fees from such loan (if any). This is a major business of the cooperatives.

**1.2 Interest income from deposit** means the amount of interest that has been earned during a specific period of time from depositing money with banks, other cooperatives and financial institutions.

**1.3 Investment Income** means the amount of revenue from investment such as interest, dividend or other benefit received from investing in securities.

**1.4 Gain on investment** means the amount by which the proceeds from the sale of investments exceeded the carrying amount of the investments that were sold. The cooperatives shall include unrealized gain (loss) on investment when calculating gain (loss) on investments, etc.

**2. Interest and Investment Expenses** can be separated by

**2.1 Interest expense from deposit received** means the amount of money the cooperatives pay persons deposit money with the cooperatives.

**2.2 Interest expense from short-term loan** means interest expenses and fees paid to the borrower, interest expense –promissory notes with the due date within the normal operating cycle of the cooperatives including interest expenses on over draft

**2.3 Interest expense from long-term loan** means interest expenses and fees paid to the borrower, interest expense –promissory notes the due date of which is more than 1 year or exceeds the normal operating cycle of the cooperatives.

**2.4 Loss on investment** means the amount by which the proceeds from the sale of investments less than the carrying amount of the investments that were sold. The cooperatives shall include unrealized gain (loss) on investment when calculating gain (loss) on investments etc.

### 3. Doubtful Accounts and Bad debt

**3.1 Doubtful debt from loan receivable** means any expenses occurred from the receivable from loan are unexpected to repay debt, but not yet written off.

**3.2 Doubtful debt from deferred interest receivable** mean interest income from loan that is unexpected to be repaid.

**3.3 Bad debt – loan receivable** means expenses from bad debts written off from the account.

**3.4 Bad debt – accrued loan interest income** means expenses from writing off bad debts from interest receivable.

**4. Interest and investment incomes - net** means the sum of interest income and benefit from the investment after deducted by the sum of interest expense, the amount invested, doubtful accounts and bad debt.

**5. Other incomes** means income not included in No.1 e.g. entrance fee, rewards from other lots issued by banks and financial institutions, interest income per adjudication, gain on sales of assets, recovery from doubtful debt etc.

### 6. Operating expenses

**6.1 Officers' expenses** mean all expenses paid to or related to the cooperatives officers e.g. salaries, transportation allowance, officers' pension.

**6.2 Property, Plant and Equipment expenses** cover maintenance expense, insurance expenses, depreciation, amortization and loss on sales of assets.

**6.3 Expenses relating members** mean all expenses paid to or related to the cooperatives member and family e.g. welfare, member supporting expenses for any natural disaster, training expenses etc.

**6.4 Other operating expenses** mean other expenses not included in No.6.1-6. for instance meeting allowance, entertainment, stationery expense, general meeting expenses, audit fee, utility, telephone and postage etc.

**7. Net profit (loss)** calculated by deducting the sum of the net interest and investment incomes, and other incomes with the sum of operating expenses.

**For any expense presented in the statement of income that is greater than 100 percent compared to revenue shall be shown as “percent” instead of “turnover”.**



# **Statement of Cash Flows**

- ◆ **Statement of Cash Flows Format**
- ◆ **Explanation for the Statement of Cash Flows Items**

**Cooperative.....**  
**Statement of Cash Flows**  
**For the year ended.....**

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
<b>Cash Flows From Operating Activities</b>		
Net Profit (loss)	_____	_____
Adjustments to reconcile net Profit (loss) to net cash provided by (used in) operating activities		
Depreciation - plant and equipment	_____	_____
Doubtful debt from accounts receivable	_____	_____
Doubtful debt from interest receivable	_____	_____
Recovery from doubtful debt on account receivable	(         ) (         )	(         ) (         )
Recovery from doubtful debt on interest receivable	(         ) (         )	(         ) (         )
Amortization expenses (relating property, plant and equipment) specified items	_____	_____
Gain on sales of assets	(         ) (         )	(         ) (         )
Loss on sales of assets	_____	_____
Gain on sales of investment	(         ) (         )	(         ) (         )
Loss on sales of investment	_____	_____
Officers' pension allowance	_____	_____
Prepaid expense amortization	_____	_____
Deferred revenue amortization	(         ) (         )	(         ) (         )
Accrued expenses	_____	_____
Accrued income	(         ) (         )	(         ) (         )
Supply expense	_____	_____
_____	_____	_____
_____	_____	_____
_____	<b>_____</b>	<b>_____</b>
Income (Loss) from operating activities before changes in operating assets and	_____	_____

	<b>Year 20...</b>	<b>Year 20...</b>
	<b><u>Baht</u></b>	<b><u>Baht</u></b>
Income (Loss) from operating assets and liabilities	_____	_____
Operating assets		
Cash paid for loan to cooperatives	(         ) (         )	(         ) (         )
Cash received from loan from cooperatives	_____	_____
Cash paid for emergency loan receivable	(         ) (         )	(         ) (         )
Cash received from emergency loan rceivable	_____	_____
Cash paid for common loan receivable	(         ) (         )	(         ) (         )
Cash received from common loan receivable	_____	_____
Cash paid for extraordinary loan receivable	(         ) (         )	(         ) (         )
Cash received from extraordinary loan receivable	_____	_____
Cash received from withheld agent receivable	_____	_____
Cash paid for advance payment	(         ) (         )	(         ) (         )
Cash received from advance payment	_____	_____
Cash received from receivable per adjudication	_____	_____
Cash paid for purchase of office supplies	(         ) (         )	(         ) (         )
Cash paid for prepaid expenses	(         ) (         )	(         ) (         )
Cash received from accrued revenue	_____	_____
_____	_____	_____
_____	_____	_____
Operating liabilities		
Cash paid for accrued expenses	(         ) (         )	(         ) (         )
Cash received from deferred revenue	_____	_____
Cash paid for officers' pension allowance	(         ) (         )	(         ) (         )
_____	_____	_____
_____	_____	_____
_____	_____	_____
Net Cash Provided by (Used In) Operating Activities	<b>_____</b>	<b>_____</b>

	<b>Year 20...</b>	<b>Year 20...</b>
	<b><u>Baht</u></b>	<b><u>Baht</u></b>
<b>Cash Flows from Investing Activities</b>		
Cash paid for purchase of government bonds	(        )	(        )
Cash paid for purchase of debentures	(        )	(        )
Cash paid for purchase of stocks	(        )	(        )
_____	(        )	(        )
Cash received from sales of government bonds	_____	_____
Cash received from sales of debentures	_____	_____
Cash received for sales of stocks	_____	_____
_____	_____	_____
Cash paid for purchase of property, plant and equipment (specified item)	(        )	(        )
Cash received from sales of property, plant and equipment (specified item)	_____	_____
Cash received from donation for construction (specified item)	_____	_____
Cash paid for construction received from donation (specified item)	(        )	(        )
Cash paid for amortization expense (relating property, plant and equipment) (specified item)	(        )	(        )
_____	_____	_____
_____	<b>_____</b>	<b>_____</b>
Net Cash Provided By (Used In) Investing Activities	<b>_____</b>	<b>_____</b>
<b>Cash Flows from Financing Activities</b>		
Cash received from bank overdraft	_____	_____
Cash paid for bank overdraft settlement	(        )	(        )
Cash received from loan	_____	_____
Cash paid for loan settlement	(        )	(        )
Cash received from deposit	_____	_____
Cash paid for deposit return	(        )	(        )
Cash received from officers' remuneration	_____	_____
Cash paid for officers' remuneration return	(        )	(        )
Cash paid for subscriptions to the Cooperative League of Thailand	(        )	(        )

	<b>Year 20...</b>	<b>Year 20...</b>
	<b><u>Baht</u></b>	<b><u>Baht</u></b>
Cash paid for dividends	(            )	(            )
Cash paid for average return fund	(            )	(            )
Cash paid for officer and staffs' bonus	(            )	(            )
Cash received from share capitals	_____	_____
Cash paid for share redemption	(            )	(            )
Cash received from legal reserves (specified items)	_____	_____
Cash paid for legal reserves (specified items)	(            )	(            )
_____	_____	_____
_____	_____	_____
_____	<b>_____</b>	<b>_____</b>
Net cash provided by (used in) financing activities	<b>_____</b>	<b>_____</b>
Net cash increased (decreased)	_____	_____
Cash at the beginning of the year	<b>_____</b>	<b>_____</b>
Cash at the ending of the year	<b>_____</b>	<b>_____</b>

<b>Explanation for the statement of cash flows Items</b>
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The statement of cash flow presentation of the saving and credit union cooperatives which are operating only in credit providing and deposit business shall follow the aforementioned guidelines and the following categories and definitions.

<b>Heading of the statement of cash flows</b>
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For the year ended..... (the fiscal year-end date of the current year) e.g. For the year ended March 31, 2014.

**Cash flow** means in and out transactions from cash on hand, cash at bank, cooperative member saving and the saving at other cooperatives.

<b>Cash flow from operating activities</b>
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**Cash flow from operating activities** means the amount of cash generated by a cooperative's normal business operations which are activities related to the items in income statement or any item related to profit (loss) of the cooperative. Cash flow from operating activities can be:

1. **Net profit (loss)** means net profit (loss) item in the statement of income. In case of loss, the cooperative shall show the figure in parenthesis

2. **Adjustments to reconcile net Profit (loss) to net cash provided by (used in) operating activities** mean items in the statement of income which are not cash and cash equivalent. These items affected profit and loss and the asset/ liability of the cooperative.

◆ **Depreciation** means depreciation expense of plant and equipment in the statement of income. It is the non-cash adjustment item at the end of the fiscal year so this should be added back to the net profit (loss).

◆ **Doubtful debt from accounts receivable/Doubtful debt from interest receivable** mean the estimated amount of receivable from loan and related interest that are unexpected to be repaid as at the end of the year. This item is non-cash but shown as expense in the statement of income, so that should be added back to the net profit (loss).

Doubtful debt shown in parenthesis means the amount that was once recognized doubtful in the previous year but was recovered in the current year. The amount recovered was deducted from the allowance for doubtful account and shown as expense in parenthesis in the statement of income. This item is also non-cash and should be deducted from the net profit (loss) amount by using “unnecessary doubtful account” name with the parenthesis.

◆ **Recovery from doubtful debt on account receivable/ Recovery from doubtful debt on interest receivable** means a debt incurred from a loan, or an interest receivable that is recovered either in whole or in part after it had been written off or classified by the lender as a bad debt. This recovery can often actually produce income because it will typically generate a loss when it is written off by the lender. This item is also non cash which shall be deducted from net profit (loss) and shown in parenthesis.

◆ **Amortization expenses (related to property, plant, and equipment)** means the cost applied to an asset that involve the purchase of property, plant, and equipment in the past and amortized as expense as the time passed by. This item is also non cash which shall be added back to the net profit (loss) amount when preparing a cash flow statement. The example is the leasehold right amortization

◆ **Gain on sales of assets** occurs from the disposition of asset the selling price of which is more than its net book value on the disposition date. Such difference is recognized as gain on sale of asset in the statement of income. Since it is a non-cash item, it shall be deducted from the net profit (loss) amount when preparing a cash flow statement.

◆ **Loss on sales of assets** occurs from the disposition of asset the selling price of which is less than its net book value on the disposition date. Such difference is recognized as loss on sales of asset in the statement of income. Since it is a non-cash item, it shall be added back to the net profit (loss) amount when preparing a cash flow statement.

◆ **Gain on sales of investment** occurs from the selling of investment the selling price of which is more than its net book value on the selling date. Such difference is recognized as gain on sales of investment in the statement of income. Since it is a non-cash item, it shall be deducted from the net profit (loss) amount when preparing a cash flow statement.

◆ **Loss on sales of investment** occurs from the selling of investment the selling price of which is less than its net book value on the selling date. Such difference is recognized as loss on sales of investment in the statement of income. Since it is a non-cash item, it shall be deducted from the net profit (loss) amount when preparing a cash flows statement.

◆ **Officers' pension allowance** occurs from the increase of officers' pension expense in the statement of income. This item is non-cash which shall be added back to the profit (loss) amount when preparing a cash flows statement.

◆ **Prepaid expense amortization** is the item in the statement of income that occurs when prepaid expense of the cooperative was amortized as the time passed by. It is also non-cash which shall be added back to the profit (loss) amount when preparing a cash flows statement.

◆ **Deferred revenue amortization** occurs when a cooperative receives money in the past year for a service that has yet to be fulfilled. In the current year, when the service is fulfilled, the revenue is recognized in the statement of income. This item is non-cash which shall be deducted from the profit (loss) amount when preparing a cash flows statement.

◆ **Accrued expenses** are the expense of the current year but not yet paid. A cooperative shall recognize this amount as its expense in the income expense, but since it is a non-cash item, it shall be added back to the profit (loss) amount when preparing a cash flows statement.

◆ **Accrued income** is the income of the current year but not yet received. A cooperative shall recognize this amount as its revenue in the income statement, but since it is a non-cash item, it shall be deducted from the profit (loss) amount when preparing a cash flows statement.

◆ **Supply expense** is the actual amount of supplies used during that year. It is recognized as expense in the statement of income after the actual count of supplies as at the end of the year. These supplies were previously purchased in the past and recorded as asset. The actual usage recognized as expense this year is a non-cash item which shall be added back to the profit (loss) amount when preparing a cash flows statement.

**3. Income (Loss) from operating activities before changes in operating assets and liabilities** means profit (loss) which has been adjusted for cash items and resulted to net profit (loss) before the change in cash in assets and liabilities which increase in revenue or expenses.

**4. Operating assets** mean any asset transaction which affects the profit and loss including the following items:

◆ **Cash paid for loan to cooperatives** means cash paid for loan to other cooperative during the year. This item affects cash balance so it shall be deducted to present cash out from operations. The figure shall be shown in a parenthesis.

◆ **Cash received from loan from cooperatives** means cash received from other cooperatives from loan disbursement. This item affects cash balance so it shall be added to present cash in from operations.

◆ **Cash paid for loan receivable** is cash paid for providing loan during the year such as emergency loan, common loan, extraordinary loan, etc. This item affects cash balance so it shall be deducted to present cash out from operations.

◆ **Cash received from loan receivable** is cash received from receivable disbursement during the year. This item affects cash balance so it shall be added to present cash in from operations.



◆ **Cash received from withheld agent receivable** is cash received from receivable agent deducted by deposit during the year. This item affects cash balance so it shall be added to present in cash received from operations.

◆ **Cash paid for advance payment** means cash paid to management directors and cooperative officers during the year for operating activities. This item affects cash balance so it shall be deducted to present cash out from operations.

◆ **Cash received from advance payment** means cash received from management directors and cooperative officers during the year for advance payment. This item affects cash balance so it shall be added back to present cash in from operations.

◆ **Cash received from receivable per adjudication** during the year. This item affects cash balance so it shall be added to present cash in from operations.

◆ **Cash paid for purchase of office supplies** is the payment for supplies in the current year, but is not yet used. This is a cash item which shall be deducted to present cash out from operations. The figure shall be shown in a parenthesis.

◆ **Cash paid for prepaid expenses** is cash paid for expenses for this current year but not all utilized benefits from those all amounts. This is a cash item which shall be deducted to present cash out from operations. The figure shall be shown in a parenthesis.

◆ **Cash received from accrued revenue** means cash received during the current year for revenue earned previous year. This is a cash item which shall be added to present cash in from operations.

**5. Operating liabilities** are liability transactions which affect profit (loss) including:

◆ **Cash paid for accrued expenses** means cash paid during the current fiscal year. It is a cash item which shall be deducted to present cash out from operations. The figure shall be shown in a parenthesis.

◆ **Cash received from deferred revenue** means cash received during the current fiscal year, but it cannot be recognized as income as a whole since the service period is over a year. This is a cash item which shall be added to present cash in from operations.

◆ **Cash paid for officers' pension allowance** is the cash paid for cooperative officers who resign during the year from the allowance for pension account. It is a cash item which shall be deducted to present cash out from operations. The figure shall be shown in a parenthesis.

**6. Net cash provided by (used in) operating activities** means cash from operating profit (loss) before the changes in operating assets and liabilities added by cash received from operating assets and liabilities and deducted with cash paid in operating assets and liabilities. If cash received is greater than cash paid, it is net cash inflow from operations. On the other hand, if cash received is less than cash paid, it is net cash outflow from operations. The latter should be presented in the parenthesis.

<p><b>Cash flows from investing activities:</b></p>
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**Cash flows from investing activities** means the amount of cash generated from the investment in assets and the disposition of assets either short-term or long-term i.e. purchasing, building, and selling property, plant, and equipment. Cash flows from investing activities can be presented as follows:

- ◆ **Cash paid for purchase of government bonds/debentures/stocks** means cash paid for investing in such investments either short-term or long-term during the year. Since the transaction affects cash balance, it shall be deducted to present cash outflow from investing activities.

- ◆ **Cash received from sales of government bonds/debentures/stocks** means cash received from redeeming or disposing such investments either short-term or long-term during the year. Since the transaction affects cash balance, it shall be added to present cash inflow from investing activities.

- ◆ **Cash paid for purchase of property plant and equipment** means cash paid for property, plant, and equipment acquisition during the year. Since the transaction affects cash balance, it shall be deducted to present cash outflow from investing activities. The figure shall be presented in the parenthesis. The example is cash paid for land etc.

- ◆ **Cash received from sales of property plant and equipment** means cash received from property, plant, and equipment disposition during the year. Since the transaction affects cash balance, it shall be added to present cash inflow from investing activities. The example is cash received from land disposition etc.

- ◆ **Cash received from donation for construction** means cash received from donation during the year. Since the transaction affects cash balance, it shall be added to present cash inflow from investing activities. The cooperative must identify the detail of asset to be constructed according to the objective of the donation.

- ◆ **Cash paid for construction received from donation** means cash paid from donation money for the construction during the year. Since the transaction affects cash balance, it shall be deducted to present cash outflow from investing activities. The figure shall be presented in the parenthesis. The cooperative must identify the detail of asset to be constructed according to the objective of the donation.

◆ **Cash paid for amortization expense (relating property, plant, and equipment)** means cash paid for any deferred cost during the year for long-term expenses. Since the transaction affects cash balance, it shall be deducted to present cash outflow from investing activities. The figure shall be presented in the parenthesis. The example is cash paid for deferred expense for office decoration.

**Net cash provided by (used in) investing activities** calculated by comparing all cash received from investing activities with cash paid under investment activities. If cash received is greater than cash paid, it is net cash inflow from investing activities. On the other hand, if cash received is less than cash paid, it is net cash flow used in investing activities. The latter case should show the figure in the parenthesis.

<p><b>Cash flows from financing activities:</b></p>
---

Cash flows from financing activities means cash flows that a cooperative receives from source of fund and cash flows repaid to share capitals, short-term and long-term loan, staff saving fund, deposits, etc.

◆ **Cash received from bank overdraft** means cash received from bank from OD account during the year. Since the transaction affects cash balance, it shall be added to present cash inflow from financing activities.

◆ **Cash paid for bank overdraft settlement** means cash paid to the bank for OD account. Since the transaction affects cash balance, it shall be deducted to present cash outflow from financing activities. The figure should be presented in the parenthesis.

◆ **Cash received from loan** mean cash received from either short-term or long-term loan during the year. Since it affects cash balance, it shall be added to present cash inflow from investing activities.

◆ **Cash paid for loan settlement** transaction affects cash balance; it therefore shall be deducted to present cash outflow from financing activities. The figure should be presented in the parenthesis.

◆ **Cash received from deposit** means cash received from members or other cooperatives for depositing with us during the year. Since the transaction affects cash balance, it shall be added to present cash inflow from financing activities.

◆ **Cash paid for deposit return** means cash repaid to members or other cooperatives for their deposit accounts with us during the year. Since the transaction affects cash balance; it shall be deducted to present cash outflow from financing activities. The figure should be presented in the parenthesis.

◆ **Cash received from officers' remuneration** means cash received from staff for their saving account during the year. Since the transaction affects cash balance, it shall be added to present cash inflow from financing activities.

◆ **Cash paid for officers' remuneration return** means cash repaid to staff for their saving accounts during the year. Since the transaction affects cash balance; it shall be deducted to present cash outflow from financing activities. The figure should be presented in the parenthesis.

◆ **Cash paid for subscriptions to the Cooperative League of Thailand.** Since the transaction affects cash balance, it shall be deducted to present cash outflow from financing activities. The figure shall be presented in the parenthesis.

◆ **Cash paid for dividends** means cash paid to members during the year for their dividend. Since the transaction affects cash balance, it shall be deducted to present cash outflow from financing activities. The figure shall be presented in the parenthesis.

◆ **Cash paid for average return fund** means cash paid to members during the year for their average return fund. Since the transaction affects cash balance, it shall be deducted to present cash outflow from financing activities. The figure shall be presented in the parenthesis.

◆ **Cash paid for officer and staffs' bonus** means cash paid to directors and the cooperative officers during the year for their bonus. Since the transaction affects cash balance, it shall be deducted to present cash outflow from financing activities. The figure shall be presented in the parenthesis.

◆ **Cash received from share capitals** means cash received from members during the year for their shares. Since the transaction affects cash balance, it shall be added to present cash inflow from financing activities.

◆ **Cash paid for share redemption** means cash repaid to members who are approved to resign during the year. Since the transaction affects cash balance, it shall be deducted to present cash outflow from financing activities. The figure shall be presented in the parenthesis.

◆ **Cash received from legal reserves** means cash received from donation for accumulated capital according to laws and regulations during the year. Since the transaction affects cash balance, it shall be added to present cash inflow from financing activities. The cooperative should identify the transaction such as cash received from donation contribution to public interest, etc.

◆ **Cash paid for legal reserves** means cash paid according to the objectives of accumulated capital according to laws and regulations during the year. Since the transaction affects cash balance, it shall be deducted to present cash outflow from financing activities. The figure shall be presented in the parenthesis. The cooperative should identify the transaction such as cash paid from contribution to public interest, etc.

**Net cash provided by (used in) financing activities** is calculated by comparing all cash received from financing activities with cash paid under such activities. If cash received is greater than cash paid, it is net cash inflow from financing activities. On the other hand, if cash received is less than cash paid, it is net cash flow used in financing activities. The latter case should show the figure in the parenthesis.

**Net cash increase (decrease)** is calculated by adding net cash flow from (used in) operating activities, investing activities, and financing activities. If cash received is greater than cash paid, it means that a cooperative has net cash increase. On the other hand, if cash received is less than cash paid, it means that a cooperative has net cash decrease. The figure of the latter case should be presented in the parenthesis.

**Cash at the beginning of the year** means cash, cash at bank, deposit at cooperative association, and cash deposit cooperative at the beginning of the year.

**Cash at the ending of the year** means net cash increase (decrease) plus beginning cash. This must be equal to cash balance as at the end of the year in the statement of financial position.

# **Notes to the Financial Statements**

- ◆ **Notes to the Financial Statements Format**
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**Cooperative.....**

**Notes to the Financial Statements**

**For the year ended.....**

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1. Significant accounting policies
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**etc.**

**(Sample For of Notes to the Financial Statements)****Cooperative .....****Notes to the Financial Statements****For the year ended .....****1. Significant Accounting Policies**

- ◆ Cooperative maintains its accounting records based on an accrual basis.
- ◆ Cooperative recognizes interest income according to the proportion of time. Interest income equal principle amount multiplied by the interest rate based on the period of lending.
- ◆ Cooperative has withheld the recognition of revenue of Baht..... from interest income from non-performing receivable according to accrued basis. If this amount is recognized, the net profit of the cooperative will be Baht.....
- ◆ Cooperative recognizes gain (loss) on investment. partially by determining the calculation of net book value per unit using weighted average /or First - in First - out methods.
- ◆ Cooperative recognizes loss on sales of assets disposition or loss from natural disaster as expenses in the year which such transactions occurred.
- ◆ Short-term investment/long-term investment which is investment in non-marketable security presented at cost. Short-term investment/long-term investment which is investment in marketable security presented at fair value. Cooperative recognizes the change of investment valuation as unrealized gain (loss) of investment which is separately presented in cooperative capital and will be recognized as income or expense in statement of income when cooperative sells such investment.
- ◆ Investment in bond held to maturity presented at amortized cost (meaning that cost of bond obtained deducted with returned principal and plus or deduct with accumulated amortization of the difference between initial cost and par value).
- ◆ Cooperative recognizes an allowance for doubtful account sufficient for the loss expected to occur by considering each outstanding receivable as at the end of the year or by calculating as percentage of receivable balance as at the end of the year, or calculating as percentage of receivable balance as at the end of the year based on the receivable aging. (In the case that the cooperative is not within a scope according to the Cooperative registrar's regulation, the classification of receivable and allowance for doubtful account B.E. 2544)
- ◆ Cooperative recognizes an allowance for doubtful account based on the rule identified in the Cooperative registrar's regulation the classification of receivable and allowance for doubtful account B.E. 2544)



- ◆ Cooperative values outstanding supplies at cost.
- ◆ Depreciation of building and equipment calculated by straight-line method at the rates determined by cooperative's registrar or sum of the years digits method and amortization period is in accordance with condition determined by cooperative registrar except for land.
  - ◆ Cooperative records ..... (identify type of assets) acquired by donation/subsidy from ..... in accounts of land, building, construction account and calculates depreciation by ..... method according to the rates determined by cooperative registrar except for land.
  - ◆ Leasehold right or useful right in ..... (Property, plant and equipment) amortized according to right received/useful lives.
  - ◆ Right to use various software amortized according to useful lives or the change of using new software.
  - ◆ Land which the cooperative office receives for settlement, recording at fair value
  - ◆ Amortization expense for.....years
  - ◆ Maintenance, repair and minor replacement of assets are allowed to be expenses deducting from revenue. The expansion of the building and major machine and equipment are allowed to capitalise to fixed asset costs.
  - ◆ The cooperative office has constructed the building using policy to capitalise interest from financing to cost of fixed assets and the cooperative will stop capitalizing when the building is ready to use.
  - ◆ Cash presented in the Statement of Cash Flows means cash on hands, all types of deposit at financial institutions and at other cooperatives and those deposits used as collateral.

**2. Cash and Deposit at Financial Institutions**, consist of the followings:

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Cash	_____	_____
Deposits at financial institutions		
Current account	_____	_____
Savings account	_____	_____
Fixed account	_____	_____
Certificate of deposit	_____	_____
Government Saving Bank's Lottery	_____	_____
Taweessin lottery/or others	_____	_____
<b>Total</b>	<b>_____</b>	<b>_____</b>

Commitments

Deposits at .....Bank PCL, type....., account number....., amount of Baht....., the cooperative use ..... totalling Baht..... as collateral

(In case the cooperative office takes certificate of deposit and/or lotter as collateral, it is mandatory to disclose).

**3. Depsit at Other Cooperatives**, consist of the followings:

	<u>Year 20...</u>	<u>Year 20.....</u>
	<u>Baht</u>	<u>Baht</u>
Cooperative federation.....	_____	_____
Cooperative.....	_____	_____
Cooperative.....	_____	_____
<b>Total</b>	<b>_____</b>	<b>_____</b>

Deposit at other cooperatives have been classified into types of savings deposit of Baht....., special savings deposit of Baht..... and fixed deposit of Baht.....

4. Investments, consist of the followings:

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>		<u>Baht</u>	
	<u>Fair Value</u>	<u>Cost/ Amortization Cost</u>	<u>Fair Value</u>	<u>Cost/ Amortization Cost</u>
<b><u>Short-term investment</u></b>				
<b><u>Marketable securities</u></b>				
Government bond				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Debentures				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Shares				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total</b>				
		_____		_____
<b><u>Add (Less) Impairment on investment</u></b>				
		_____		_____
<b>Total</b>				
		_____		_____

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>		<u>Baht</u>	
	<u>Fair Value</u>	<u>Cost/</u>	<u>Fair Value</u>	<u>Cost/</u>
		<u>Amortization Cost</u>		<u>Amortization Cost</u>
<b><u>Non-marketable securities</u></b>				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total</b>	_____	_____	_____	_____
<b>Total Short-term Investment</b>	_____	_____	_____	_____
<b><u>Long-term investment</u></b>				
<b><u>Marketable securities</u></b>				
Government bond	_____	_____	_____	_____
_____	_____	_____	_____	_____
Debentures	_____	_____	_____	_____
_____	_____	_____	_____	_____
Shares	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total</b>	_____	_____	_____	_____
<b><u>Add (Less) Impairment on investment</u></b>	_____	_____	_____	_____
<b>Total</b>	_____	_____	_____	_____
<b><u>Non-marketable securities</u></b>				
- Shares of cooperative federation/other cooperatives (please specify)	_____	_____	_____	_____
- .....	_____	_____	_____	_____
- .....	_____	_____	_____	_____
<b>Total</b>	_____	_____	_____	_____
<b>Total Long-term Investment</b>	_____	_____	_____	_____

5. Loans-net consist of the followings:

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>		<u>Baht</u>	
	<u>Short-term</u>	<u>Long-term</u>	<u>Short-term</u>	<u>Long-term</u>
<b>Loan-normal</b>				
Loan from cooperative .....	.....	.....	.....	.....
Emergency loan receivable .....	.....	.....	.....	.....
Common loan receivable .....	.....	.....	.....	.....
extraordinary loan receivable .....	.....	.....	.....	.....
.....	.....	.....	.....	.....
<b>Total loan-normal</b>	.....	.....	.....	.....
<b>Loan-non performing</b>				
Loan from cooperative .....	.....	.....	.....	.....
Emergency loan receivable .....	.....	.....	.....	.....
Common loan receivable .....	.....	.....	.....	.....
extraordinary loan receivable .....	.....	.....	.....	.....
.....	.....	.....	.....	.....
<b>Total loan-non performing</b>	.....	.....	.....	.....
<b>Total loan</b>	.....	.....	.....	.....
<u>Less</u> Allowance for doubtful accounts .....	.....	.....	.....	.....
Allowance for discrepancy receivable .....	.....	.....	.....	.....
<b>Loan-net</b>	.....	.....	.....	.....

As at .....allowance for doubtful accounts can be categorized as.....  
 .....  
 allowance for discrepancy receivable can be categorized as.....  
 .....

6. **Account Receivables - Net**, consist of the followings:

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>		<u>Baht</u>	
	<u>Short-term</u>	<u>Long-term</u>	<u>Short-term</u>	<u>Long-term</u>
Receivable in prosecute	.....	.....	.....	.....
Judgment debtors	.....	.....	.....	.....
.....	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
<b>Total account receivables</b>	.....	.....	.....	.....
<b>Less</b> Allowance for doubtful accounts	.....	.....	.....	.....
Allowance for discrepancy receivable	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
<b>Accounts Receivable - Net</b>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>

As at .....allowance for doubtful accounts can be categorized as.....  
 .....  
 allowance for discrepancy receivable can be categorized as.....  
 .....

7. **Accrued interest Receivables - Net**, consist of the followings:

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Accrued interest receivable - members	_____	_____
Accrued interest receivable - other cooperatives	_____	_____
Total	_____	_____
<b>Less</b> Allowance for doubtful accounts	_____	_____
<b>Accrued interest receivables - net</b>	_____	_____

**8. Other Current Assets**, consist of the followings:

	<u>Year 20...</u> <u>Baht</u>	<u>Year 20...</u> <u>Baht</u>
_____	_____	_____
_____	_____	_____
<b>Total</b>	<b>_____</b>	<b>_____</b>

**9. Property, Plant and Equipment - Net**, consist of the following:

	<u>Year 20...</u> <u>Baht</u>	<u>Year 20...</u> <u>Baht</u>
Land	_____	_____
Building and construction	_____	_____
Vehicles	_____	_____
Office equipment	_____	_____
_____	<b>_____</b>	<b>_____</b>
Total	_____	_____
<b>Less</b> Accumulated depreciation	<b>_____</b>	<b>_____</b>
<b>Property, Plant, and Equipment - Net</b>	<b>_____</b>	<b>_____</b>

Accumulated depreciation consists of accumulated depreciation of building and construction totaling Baht....., machines and equipments totaling Baht....., vehicles totaling Baht..... and office equipment totaling Baht.....

The cooperative purchased..... from the contractor per leasing/hire purchase agreement totaling Baht....., consisting cost of Baht....., deferred interest of Baht..... The cooperative has been paying monthly installment of Baht.....for the period of.....months, starting from.....to..... During the year....., the cooperative has paid to the contractor for ..... months totaling Baht.....

(The above notes to the financial statements is used when the cooperative purchased property, plant and equipment by leasing/hire purchase method).

(In case the cooperative has revaluation and commitments of the property, plant and equipment, it is to be disclosed into the notes to the financial statements as well).

(In case the cooperative uses direct method to record the depreciation, it is mandatory to disclose cost of the property, plant and equipment at book value).

**10. Intangible assets, consist of the followings:**

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Leasehold	_____	_____
Right for utilization	_____	_____
Software rights	_____	_____
Software	_____	_____
<b>Total</b>	<b>_____</b>	<b>_____</b>

**11. Other Non-Current Assets, consist of the followings:**

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
_____	_____	_____
_____	_____	_____
<b>Total</b>	<b>_____</b>	<b>_____</b>

**12. Bank Overdraft and Short-Term Loan, consist of the followings:**

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Bank overdraft	_____	_____
Short-term loans	_____	_____
<b>Total</b>	<b>_____</b>	<b>_____</b>



For the year.....the cooperative has bank overdraft at bank.....of Baht..... with interest rate .....per annum which has..... as collateral.

Short-term loans from.....of Baht.....with interest rate.....per annum which has.....as collateral.

**13. Deposits, consist of the followings:**

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
<b>Deposit - Members</b>		
Deposit - savings account	_____	_____
Deposit - special savings account	_____	_____
Deposit - fixed account	_____	_____
_____	_____	_____
<b>Total</b>	_____	_____
<b>Deposit - Other cooperatives</b>		
Deposit - savings account	_____	_____
Deposit - special savings account	_____	_____
Deposit - fixed account	_____	_____
_____	_____	_____
<b>Total</b>	_____	_____
<b>Total Deposits</b>	_____	_____

**14. Other Current Liabilities, consist of the followings:**

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total</b>	_____	_____

**15. Long-term Loans**, consist of the followings:

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>		<u>Baht</u>	
	<u>Due</u>		<u>Due</u>	
	<u>Within 1 year</u>	<u>More than 1 year</u>	<u>Within 1 year</u>	<u>More than 1 year</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total</b>	_____	_____	_____	_____

During the year.....the cooperative has made long-term loans from.....of Baht..... with interest rate .....per annum with the disbursement period of.....months totaling Baht..... per month from.....to..... The cooperative uses..... as collateral.

In case any conditions or limitation on the borrowing, it needs to be disclosed those information per contract clearly onto the Note.

**16. Hire-Purchase Payable** , consist of the followings:

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>		<u>Baht</u>	
	<u>Due</u>		<u>Due</u>	
	<u>Within 1 year</u>	<u>More than 1 year</u>	<u>Within 1 year</u>	<u>More than 1 year</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total</b>	_____	_____	_____	_____

**17. Other Non-Current Liabilities**, consist of the followings:

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total</b>	_____	_____

**18. Legal Reserves, consist of the followings:**

	<u>Year 20...</u> <u>Baht</u>	<u>Year 20...</u> <u>Baht</u>
_____	_____	_____
_____	_____	_____
<b>Total</b>	<b>_____</b>	<b>_____</b>

**19. Unrealised Gain (Loss) on Investment**

	<u>Year 20...</u> <u>Baht</u>	<u>Year 20...</u> <u>Baht</u>
Beginning balance	_____	_____
Change during the year	_____	_____
Ending balance	<b>_____</b>	<b>_____</b>

**20. Net Profit (Loss) for the Year**

.....  
 .....

**21. Maintaining the Cooperative's Liquidity Assets**

.....  
 .....

**22. Subsequent events after the financial statement's date but before the auditor report's date**

.....  
 .....

**23. Events which may arise in the future**

.....  
 .....

**Explanation for notes to the financial statements Items**

Notes to the financial statements (notes) form an integral part of these statements which provide information in preparation of financial statements regarding measurement, accounting policies, clarification of individual statement line-items and additional relevant information that is not presented elsewhere in the financial statements. The notes also describe changes or unusual items and subsequent events to financial statements.

**Information subject to disclosure in the notes:**

**1. Measurement basis for preparation of financial statements** discloses the basis adopted by cooperative for items in financial statement e.g. historical cost, current cost, net realizable value, fair value or present value which are disclosed to each assets and liabilities.

**2. Accounting Policies** mean accounting principles or accounting methods which cooperative adopt in accounting and preparation of the financial statements. Disclosure of accounting policies should not be duplicated with other details which are already presented in financial statements but refer to those relevant details and provide accounting standards adopted by cooperative.

*Example for recommended disclosure of accounting policies*

- ◆ Revenue recognition
- ◆ Expense recognition
- ◆ Valuation of investment
- ◆ Allowance for doubtful accounts and bad debt
- ◆ Valuation of inventory
- ◆ Valuation of assets held for sale
- ◆ Accounting for depreciable assets and depreciation method
- ◆ Intangible assets – accounting or amortization
- ◆ Capitalized borrowing cost to cost of assets
- ◆ Accounting for profit and interest from installments sales
- ◆ etc.

**3. Additional information** such as:

3.1 Detail of explanation for financial statements items

3.2 Significant subsequent event to date of financial statements but before date of auditor's report which affects financial statements. Summary and estimation of impact to financial statements of such events are required disclosure. If the impact can not be estimated, the fact of event shall be disclosed

3.3 Provision and contingent liabilities and contingent assets such as cooperative is in a lawsuit for accusing or being accused which the outcome can be gain from receiving compensation or loss from paying compensation. The disclosure is required for contingent liabilities or contingent assets for each type and estimation of impact to financial statements.

**Guidelines for preparation of notes to financial statements are as followings:**

**1. Significant accounting policies** is required disclosure for the basis of preparation of the financial statements and the specific accounting policies used by cooperative as well as accounting measurement in preparation of the financial statements.

However, the disclosure provides only information relevant to cooperative's adoption and any irrelevant or not applicable shall be excluded. Any adoption apart from example shall be additionally disclosed.

**2. Cash and deposits at financial institutions** is required disclosure for detail of Cash and deposit and financial institutions as at year end by separately presented in 2 categories as follows:

- ◆ **Cash** is disclosed ending balance as at year end

- ◆ **Deposits at financial institutions** is disclosed ending balance as at year end by separately presented in different type of deposit; current account, saving account and fixed deposit.

However, in case of current account having credit balance without overdraft agreement with the bank, credit balance of such account shall be offset with debit balance in other current accounts. If total current accounts are credit balance, the amount is presented in bracket which is offset with other cash and cash in bank to derive at the total balance. Moreover, disclosure is required for obligation for cash at bank (if any).

If cooperative has made agreement with bank for automatic transferring from saving account to current account when paid check is cashed from bank, any credit balance in current account (bank overdraft) is required adjustment at year end by transferring cash from saving account to current account until the amount in current account equals to minimum balance required by the bank.

- ◆ **Certificate of deposit, Government Savings Bank's lottery and other saving lottery** which are issued by bank or financial institution shall be disclosed under Cash and deposit and financial institutions next to fixed deposit.

Obligation in cash at bank shall be disclosed separately for each bank account according to guideline in the given example. If certificate of deposit or saving lottery is used as guaranty or pledge, disclosure is additionally required.

Note that in case the cooperative has deficit cash, it should be disclosed how the cooperative will manage the situations happened by adding an additional note to the financial statements.

**3. Deposit at other cooperatives** is disclosed detail as at year end by separately presenting each item and total balance according to guideline in given example. Types of deposit to other cooperatives; saving and special saving shall be disclosed in this section.

If there is only deposit to a cooperative federation or a cooperative and only one type of deposit, notes to financial statements is not required but the item is described as deposit to cooperative – (type of deposit) or deposit to cooperative.....(type of deposit) instead of deposit to other cooperatives.

**4. Investment** shall be disclosed for ending balance of short-term investment and long-term investment as at accounting period by presenting in statement of financial position by separating into marketable securities of security exchange and non-marketable securities.

In case of marketable securities, it shall be separately presented as bonds, debentures and shares and disclosed fair value and cost or amortized cost. In case of investment in debt held to maturity including the presentation in aggregate amount plus or less with impairment on investment (the difference between cost and fair value). In case of non-marketable securities, it shall be disclosed at cost.

**5. Loans – net** shall be disclosed outstanding details of short-term loans and long-term loans as at the end of accounting period as presented in statement of financial position by presenting each of loan receivable, for instance, loan to cooperative, short-term loans, medium-term loan receivable and other loans splitting into short-term and long-term including presentation at aggregated amount less allowance for doubtful accounts and allowance for doubtful accounts discrepancy. Outstanding balance is short-term loans – net and long-term loans – net. Additionally, to disclose amount of allowance for doubtful accounts and allowance for doubtful accounts discrepancy of each type of loans at the end of this topic. The word “Net” shall be deleted in case of no allowance for doubtful accounts and allowance for doubtful accounts discrepancy.

**6. Account Receivables – net** shall be disclosed outstanding details of short-term receivables and long-term receivables as at the end of accounting period as presented in statement of financial position by presenting each type of receivable, for instance, Notes receivable, trade account receivable, installment receivable (amount net from deferred installment interest), service receivable and other receivable splitting into short-term and long-term including presentation at aggregated amount less allowance for doubtful accounts and allowance for discrepancy debt. Outstanding balance is short-term receivables – net and long-term receivables – net. Additionally, to disclose amount of allowance for doubtful accounts and allowance for discrepancy debt of each type of loan receivable at the end of this topic. The word “Net” shall be deleted in case of no allowance for doubtful accounts and allowance for discrepancy debt.

Other receivable which have amount more than 10% of total account receivables shall be presented those receivable separately by specifying their names and ordering before other receivable.

**7. Accrued Interest receivables – net** shall be disclosed accrued interest receivable as at the end of accounting period as presented in statement of financial position by presenting into accrued interest receivable and accrued interest receivable – other cooperative including presentation at aggregated amount less allowance for doubtful accounts. Outstanding balance is accrued interest receivable – net. The word “Net” shall be deleted in case of no allowance for doubtful accounts.

**8. Inventories** shall be disclosed ending inventories as at the end of accounting period as presented in statement of financial position by presenting outstanding Inventories - normal plus inventories obsolete. However, notes to the financials statement is not required if there is only outstanding inventories – normal balance.

**9. Other current assets** shall be disclosed component of other current assets details as at the end of accounting period. For instance, accrued income, prepayment, refundable fund etc. which each item disclosed having amount less than 5% of total current assets including the presentation in aggregated amount.

**10. The value of animal lineages – net** shall be disclosed outstanding details of animal lineage as at the end of accounting period as presented in statement of financial position by presenting each type of animal lineage which having useful life more than 1 year including presentation at aggregated amount less accumulated lineage depreciation. Outstanding balance is animal lineage - net. Additionally, to disclose amount of allowance for animal lineages of each type at the end of this topic.

In case which cooperative records animal lineages depreciation by reducing animal lineages balance directly, it shall be disclosed by presenting outstanding balance of animal lineages - net animal lineages depreciation.

**11. Property, plant and equipment – net** shall be disclosed outstanding details of Property, plant and equipment as at the end of accounting period as presented in statement of financial position by presenting each type of transaction which is land, building and construction, machines and equipments, vehicles and office equipment including presentation at aggregated amount less accumulated depreciation. Outstanding balance is Property, plant and equipment - net. In case which cooperative records depreciation by reducing Property, plant and equipment balance directly, it shall be disclosed by presenting outstanding balance of Property, plant and equipment at book value.

◆ In case of change due to assets appraisal, it shall be disclosed that it is conducted by independent appraiser which having expertise or reliable or not including appraisal basis and to prepare note to financial statements in order to present change amount as follows:

**Cooperative records depreciation in accumulated depreciation account**

**Property, plant and equipment – net** comprises of:

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Land		
Cost	_____	_____
Surplus (specify appraisal year)	_____	_____
	_____	_____
Building and Construction		
Cost	_____	_____
Surplus (specify appraisal year)	_____	_____
	_____	_____
Machines and Equipments		
Cost	_____	_____
Surplus (specify appraisal year)	_____	_____
	_____	_____
Vehicles		
Cost	_____	_____
Surplus (specify appraisal year)	_____	_____
	_____	_____
Office Equipment		
Cost	_____	_____
Surplus (specify appraisal year)	_____	_____
	_____	_____
<b>Total</b>	_____	_____
<b><u>Less</u> Accumulated depreciation</b>	_____	_____
<b>Property, plant and equipment - net</b>	_____	_____



Cost represents assets value as at the acquisition date or construction. Surplus represents incremental value due to appraisal.

**Cooperative records depreciation by reducing assets balance directly** shall change cost to book value. Book value represents cost less accumulated depreciation. Net surplus represents incremental amount due to appraisal less accumulated depreciation.

etc.

Office Equipment		
Book value	_____	_____
Surplus (specify appraisal year)	_____	_____
	_____	_____
Property, plant and equipment - net	_____	_____

◆ In case which cooperative has construction in progress, for instance, office under construction, construction in progress etc. and each of transaction shall be presented in the note to financial statements by not calculating depreciation and including expenses relating to construction and interest on loan occurred during construction period (interest on loan for the purpose of construction) as part of acquisition cost of assets under construction. Once the completion of construction or assets ready to use, it shall be transferred as asset and start to calculate depreciation. Interest on loan occurred subsequent to usage date, it shall be presented as operating expense.

◆ In case which cooperative has installment/hire-purchase transactions, notes to the financial statements shall be presented this transaction separately from normal assets and disclosed installment/hire-purchase contract details according to example. Assets under installment/hire-purchase plan shall be transferred to similar assets once cooperative makes final payment and possess ownership over assets. In addition, additional information shall be disclosed at the year which the ownership of assets is transferred to cooperative in order to inform about ownership which cooperative already obtained.

◆ Obligation over Property, plant and equipment shall be disclosed in addition within this topic.

**12. Intangible assets:** To disclose intangible asset details outstanding as at the end of year in the statement of financial position by separately presenting to each item. For instance; leasehold, useful leasehold, patent, concession, software license and software including total amount. In case of significant information of intangible asset has to be disclosed such as acquisition of rights in assets, useful lives of right etc.

**13. Other non-current assets:** To disclose the component of other non-current assets in the statement of financial position such as Prepaid expenses, advance payment of litigation, insurance etc. Amount of each item disclosed is lower than 5% of total assets including presenting total amount.

**14. Bank overdraft and short-term loans:** To disclose accounting bank overdraft and short-term loan balance at the end of year in the statement of financial position by separately presenting to bank overdraft and short-term loans including presenting total amount. Moreover, cooperative shall disclose bank overdraft and short-term loans occurred during the year according to example provided at the last part of this topic.

In case of multiple bank overdrafts or having short-term loans from many vendors, cooperative shall to disclose details of each vendor completely. In addition, bank overdraft or short-term loans are pledged by deposits at bank, the disclosure have to relate to the disclosure of commitment in item 2 and in case of pledged by assets, it has to disclose the asset type and book value of pledge assets including conditions and limitations as specified in loan agreements.

**15. Deposits :** To disclose deposits balance at the end of year in the statement of financial position, separate to deposits account of member and deposit of other cooperatives. To present each deposits which is saving , fixed deposit and extra saving deposit and total amount.

**16. Other current liabilities:** To disclose the component of other current liabilities in the statement of financial position such as accrued expenses, unearned revenue, suspending cash to repay etc. Amount of each item disclosed is lower than 5% of total current liabilities including presenting total amount.

**17. Long-term loans:** To disclose the component of long-term loans in the statement of financial position by separately presenting current portion and long-term loans including total amount. In addition, to disclose long-term loans occurred during the year according example provided at the last part of this topic.

In case of long-term loans from many vendors, cooperative shall to disclose details of each vendor completely and if cooperative has significant commitment relating to long-term loan which might be occurred in the future, the cooperative has to additionally disclose.

**18. Hire-purchase payable:** To disclose the component of hire-purchase payable in the statement of financial position by presenting hire-purchase payable deducted with deferred interest and undue input value added tax which each transaction shall be split into current portion due and long-term due including total amount. Moreover, cooperative shall disclose commitment according to hire-purchase agreement leasing agreement according example provided at the last part of this topic.

**19. Other non-current liabilities:** To disclose the component of non-current liabilities in the statement of financial position such as pension of employee, security deposit of officer, retention. Amount of each item disclosed is lower than 5% of total liability including presenting total amount.

**20. Legal reserves:** To disclose the component of accumulated capital according regulation and others in the statement of financial position such as public interest fund, cooperative scholarship & seminar, capital to maintain dividend level etc. including total amount. In case of the payment of accumulated capital during the year which significant, it has to be disclosed according example provided at the last part of this topic.

**21. Unrealized gain (loss) on investment:** To disclose unrealized gain (loss) on investment in the beginning period, change during period and the balance in the end of year in the statement of financial position.

**22. Net profit (loss) for the year:** To disclose net profit (loss) for the year in case of such amount is significant, for instance:

- ◆ **Cooperative requests to pay accumulated losses:** To disclose net profit amount of the year which will be paid for accumulated losses and outstanding net profit which can be appropriated according to regulation.

Example: Net profit for the year of Baht 40,000.00, Cooperative pays to accumulated losses of Baht 25,000.00. Outstanding net profit of Baht 15,000.00 which cooperative can appropriate according to regulation.

- ◆ **Cooperative has significant gain on assets disposal:** To present in the statement of income under other income topic, it has to disclose such profit amount and effect to net profit for the year.

Example: Net profit for the year of Baht 1,000,000.00 comprise of gain on assets disposal of Baht 600,000.00. If cooperative had no such gain, cooperative would have net profit for the year of Baht 400,000.00 only.

etc.

**23. Maintaining the Cooperative's liquidity assets:** In case of cooperative can maintain liquidity assets according to regulations or higher, it can either be disclosed in the note to financial statements or not disclosed. In case cooperative cannot maintain liquidity assets according to regulations, it has to disclose that how much maintain rate which cooperative has to maintain for liquidity assets and it is lower than regulations.

**24. Subsequent events after the financial statement's date but before the auditor report's**

**date:** To disclose significant events occurring subsequent to the date of financial statements but before the date which auditor expresses opinion to financial statements which might be affected to the current year financial statements such as assets are stolen, loss from natural disaster, fire etc. by summarising content and relevant amount.

**25. Events which may arise in the future:** To disclose significant events which might occur in the future by summarizing content and relevant amount including opinion of working team of cooperative relating to possible damage or effect to cooperative.

- ◆ Contingent liabilities are commitment which might be occurred or a present commitment that might create loss to cooperative's assets but it's probable. For instance, cooperative is sued to claim for damage, guarantee the liabilities of another person etc.

- ◆ Contingent assets are determined from the opportunity that cooperative is possible to get economic benefit such as cooperative sues to recover the damage.

**Observation of the preparation of notes to the financial to financial statements.**

- ◆ Example of notes to the financial statements is just a guideline for preparation only and it should be chosen applicable part for cooperative which has been audited. It should be deleted if there are no any transactions or disclosed in case of no any guidance in example provided. In addition, the preparation of notes to the financial statements is not required if transaction is similar to transaction presented in financial statements except for having other information which is necessary to explain by disclose in order to allow the users of financial statement to acknowledge. Notes to the financial statements has to prepare for mandatory data required to disclose only.

- ◆ If operating period of cooperative is less than 12 months. For instance, newly established cooperative, pending audited cooperative or change accounting period etc. Cooperative shall disclose in the note to the financial statements under item 2, following item 1 Summarized Significant Accounting Policies.

- ◆ The disclosure of correlative information. For instance; bank accounts are pledged to bank overdraft, the use of fund for developing assets procurement etc. shall be disclosed in either topic or no need to disclose under two topics.

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