

Financial Reporting Preparation Manual
Agricultural, Consumer, Service and
Credit Union 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 cooperatives and farmer groups 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 the cooperatives' members and other financial users. Moreover, they represent management operating results of cooperatives' committees and farmer groups as well.

This Financial Reporting Preparation Manual for agricultural, consumer, service and credit union cooperatives has been made to facilitate the types of cooperative agricultural, land settlement, fishery, consumer, service, and credit union cooperatives (only Credit Union cooperatives operate their business relating credit, cash deposit and others) and farmer groups with operating share capital as at the end of their accounting period from Baht 1,000,000 to prepare their financial statements in the same standards. The important content of this manual is the financial presentation reporting format determined by the Cooperative Auditing Department which comprises of the statement of financial position, statement of income, statement of costs of goods sold/services rendered and statement of production costs, notes to the financial statements and other explanatory notes.

The Cooperative Auditing Department strongly believes that this Financial Reporting Preparation Manual for agricultural, consumer, service and credit union cooperatives will be definitely useful for cooperatives, farmer groups, the other relating parties as well as interested public.

The Cooperative Auditing Department
Office of Accounting and Auditing Standard
December 2014

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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>
<u>Assets</u>			
Current Assets			
Cash and deposits at financial institutions	2	_____	_____
Deposit at other Cooperatives	3	_____	_____
Cash Payment - transit		_____	_____
Short - term investment	4	_____	_____
Short - term loans - net	5	_____	_____
Short - term account receivables - net	6	_____	_____
Accrued interest receivables - net	7	_____	_____
Inventories	8	_____	_____
Other current assets	9	_____	_____
Total Current Assets		_____	_____
Non-Current Assets			
Long-term invesment	4	_____	_____
Long-term loans - net	5	_____	_____
Long-term account receivables - net	6	_____	_____
The value of animal breed - net	10	_____	_____
Property, plant and equipment - net	11	_____	_____
Intangible assets	12	_____	_____
Other non-current assets	13	_____	_____
Total Non-Current Assets		_____	_____
Total Assets		_____	_____

	<u>Notes</u>	<u>Year 20...</u> <u>Baht</u>	<u>Year 20...</u> <u>Baht</u>
<u>Liabilities and Cooperative Shareholders' Equity</u>			
Current Liabilities			
Bank overdraft and short-term loans	14	_____	_____
Trade account payables		_____	_____
Current portion of long term-loan due within one year	17,18	_____	_____
Deposits	15	_____	_____
Accrued subscriptions to the Cooperative League of Thailand		_____	_____
Other current liabilities	16	_____	_____
Total Current Liabilities		_____	_____
Non-Current Liabilities			
Long-term loans	17	_____	_____
Hire-purchase payable	18	_____	_____
Other non-current liabilities	19	_____	_____
Total Non-Current Liabilities		_____	_____
Total Liabilities		_____	_____
Cooperative Shareholders' Equity			
share capital (Baht.....per share)			
Fully paid-up share capital		_____	_____
Partly paid-up share capital		_____	_____
Total Cooperative Shareholders' Equity		_____	_____
Total Liabilities and Cooperative Shareholders' Equity		_____	_____

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 Items

The presentation of the statement of financial position of Agriculture, Industry, Fishery, Shop, Service and Credit union cooperatives which have the operating share capital greater than or equal to Baht 1,000,000 (Only for the Credit union cooperatives which operate their business only credit, cash deposit and others shall follow the aforementioned guidelines and the following types and definitions as follow:

Heading of the statement of financial position

As at..... the fiscal year-end date of the current year e.g. Asat 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, bonds share certificate, and etc.

Deposits at financial institutions means every type of deposits at bank including certificate of deposit, Government Savings Bank's Lottery, Thaweesin 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.

- ◆ **Trade Account receivable** means the unpaid amount of goods that the cooperative sells in normal conditions.

- ◆ **Account receivable – bought-through account products** means the money that members have not paid for goods that the cooperatives are the contractor.

- ◆ **Installment receivable** means the money that members have unpaid for goods that the cooperatives sold per installment method. The amount will not be deducted with allowance for doubtful accounts but will be deducted with the deferred interest from installment.

◆ **Service receivable** means the money that members have unpaid for the service that cooperatives have provided.

◆ **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	.....
Account receivables	3,000.00
Cash shortage receivables	10,000.00
Inventory shortage receivables	7,000.00
	<hr/>
Total	20,000.00
Less allowance for doubtful accounts	20,000.00
	<hr/>
	0.00
	<hr/>

Note: No note to disclose into the financial statements

◆ In case the current year the Cooperative has fully recorded amount of allowance for doubtful accounts 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 for doubtful accounts as follow:

	<u>Current Year</u>	<u>Prior Year</u>
Short-term investment	.....	.....
Trade Accounts receivable	3,000.00	3,000.00
Cash shortage receivables	10,000.00	10,000.00
Inventory shortage receivables	7,000.00	7,000.00
Total	20,000.00	20,000.00
Less allowance for doubtful accounts	20,000.00	18,000.00
	0.00	2,000.00

Note: No note to disclose into the financial statements

◆ In case all types of receivables have the partial amount of allowance for doubtful accounts 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>Prior 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 Inventories mean the assets held for sale as normal business operations. In case the cooperative is manufacturing, the inventory will be included the inventory in process of production and raw material for production. However, the inventory will not be included the consignment goods, the supplies used for factory and office, the inventory recorded in sales but the buyer had not received the goods yet. The goods which had been ordered and recorded in purchases but received partially, it shall be counted such partial as inventory as well.

The above inventories should be in good conditions plus obsolete inventories whereby its quantity should be the same as physical count at the end of accounting period, consisting both good and obsolete inventories.

In case there is any shortage of inventory (the shortage of inventories with lacking of staff responsible for or in process of consideration for responsible person), it shall be presented in the statement of financial position as the transaction after “Inventories”, presenting deducted with the allowance for inventory shortage (presenting as the shortage that no one responsible for) as follow:

	<u>Current Year</u>	<u>Prior Year</u>
Accrued interest income - net	_____	_____
Ending inventories	_____	_____
Inventory shortage	_____	_____
<u>Less</u> Allowance for inventory shortage	_____	_____
Other current assets	_____	_____

1.9 Other current assets mean

1.9.1 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.

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

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

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

1.9.5 Dividend and average money refund deviation

1.9.6 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.

1.9.7 Other current assets that are not presented in item No. 1.1-1.8

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:

.....
Ending inventories	100,000.00
Advanced insurance payment	20,000.00
Other current assets	500.00
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:

.....
Ending inventory	100,000.00
Advanced insurance payment	2,500.00
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 The value of animal breed-net mean the value of animal breed that are not directly available for sale but hold for breeding or giving product that expect to have useful life more than 1 year, less with its amortization.

The value of animal breed which has useful life less than 12 months after the date of the statement of financial position, it shall be presented as other current assets with the amount of value less with the accumulation of allowance of value e.g. breeder chickens, etc.

2.5 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:

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

2.5.2 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.

2.6 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:

2.6.1 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.

2.6.2 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.

2.6.3 Patents mean the right by laws which the government gives to someone in production for sale or getting the benefit from new invention. In case of the cooperative buys the patent from others, it shall be recorded with the paid amount. In case of the cooperative registers its own invention, the expenses for getting such patent which are the invention expenses, research, registration expense, etc will be the cost of patent.

2.6.4 Concession means the contract that government agrees to give the operation right related to the government's assets. The cost of concession is the expenses for requiring concession.

2.6.5 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	.....
Total assets	<u>80,000.00</u>

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

2.7.1 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.

2.7.2 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	.....
Total assets	<u>80,000.00</u>

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

For the year ended.....

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Revenue from sales/services rendered	_____	_____	_____	_____
<u>Less</u> Cost of goods sold/services rendered (statement of cost of sold/service)	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
<u>Less</u> Proceed from installment revenue - current year, unearned	_____	_____	_____	_____
<u>Add</u> Proceed from installment revenue - prior year, earned	_____	_____	_____	_____
<u>Add</u> Revenue from specific business	_____	_____	_____	_____
<u>Less</u> Expenses from specific business	_____	_____	_____	_____
profit (Loss) from specific business (Items 1-5)	_____	_____	_____	_____
<u>Add</u> Other Incomes (Item 6)	_____	_____	_____	_____
Total	_____	_____	_____	_____
<u>Less</u> Operating expenses (Item 7)	_____	_____	_____	_____
Net profit (Loss)	_____	_____	_____	_____

Item 1

Details of Profit (Loss) for Credit Business

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Interest income from loan - actual receipt	_____	_____	_____	_____
Interest income from loan - deferred	_____	_____	_____	_____
Total	_____	100	_____	100
Less Cost of services rendered	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Add Revenue from specific business				
- Revenue from penalty charges from loan receivable	_____	_____	_____	_____
- Recovery from doubtful debt on loan receivable	_____	_____	_____	_____
- Recovery from doubtful debt on deferred interest receivable	_____	_____	_____	_____
- _____	_____	_____	_____	_____
- _____	_____	_____	_____	_____
Total Revenue from specific business	_____	_____	_____	_____
Less Expenses from specific business				
- Doubtful debt from loan receivable	_____	_____	_____	_____
- Doubtful debt from deferred interest receivable	_____	_____	_____	_____
- Bad debt - loan receivable	_____	_____	_____	_____
- Bad debt - accrued loan interest income	_____	_____	_____	_____
- Collection expenses	_____	_____	_____	_____
- Debt analysis expenses	_____	_____	_____	_____
- Salaries	_____	_____	_____	_____
- _____	_____	_____	_____	_____
- _____	_____	_____	_____	_____
Total Expenses from specific business	_____	_____	_____	_____
Profit (Loss) from specific business	_____	_____	_____	_____

Item 2

Details of Profit (Loss) for Trading Business

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Sales - Agricultural Products				
Fertilizer	_____	_____	_____	_____
Machines & equipments	_____	_____	_____	_____
Chemical products	_____	_____	_____	_____
Animal foods	_____	_____	_____	_____
<hr/>				
Total	_____	_____	_____	_____
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Sales - Fuel Products				
Fuel	_____	_____	_____	_____
Lubricants	_____	_____	_____	_____
Total	_____	_____	_____	_____
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Other Revenue				
Sales - general products	_____	_____	_____	_____
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Installment sales	_____	_____	_____	_____
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Consignment sales	_____	_____	_____	_____
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Sales of bought-through-account products	_____	_____	_____	_____
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Total Revenues	_____	_____	_____	_____
<u>Less</u> Total costs of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
<u>Less</u> Proceed form installment revenue - current year, unearned	_____	_____	_____	_____
<u>Add</u> Proceed from installment revenue - prior year, earned	_____	_____	_____	_____
<u>Add</u> Revenue from specific business				
- Revenue from penalty charges on trade receivable	_____	_____	_____	_____
- Reimbursement from missing inventories	_____	_____	_____	_____
- Installment interest income	_____	_____	_____	_____
- Recovery from doubtful debt on trade receivable	_____	_____	_____	_____
- Proceed from inventory valuation	_____	_____	_____	_____
- _____	_____	_____	_____	_____
- _____	_____	_____	_____	_____
Total Revenue from specific business	_____	_____	_____	_____
<u>Less</u> Expenses on specific business				
- Intetest expense on supply procurement loan				
- Selling expenses	_____	_____	_____	_____
- Warehouse expenses	_____	_____	_____	_____
- Doubtful debt expenses	_____	_____	_____	_____
- Depreciation - warehouse	_____	_____	_____	_____
- Loss from missing inventories	_____	_____	_____	_____
- Loss from obsolete inventory	_____	_____	_____	_____
- Loss from fuel evaporation	_____	_____	_____	_____
- Loss from inventory devaluation	_____	_____	_____	_____
- Salaries	_____	_____	_____	_____
- _____	_____	_____	_____	_____
- _____	_____	_____	_____	_____
Total Expenses from specific business	_____	_____	_____	_____
Profit (Loss) from specific business	_____	_____	_____	_____

Item 3

Details of Profit (Loss) for Compilation of Product Business

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Sales - Paddy	_____	_____	_____	_____
- Corn	_____	_____	_____	_____
- Rubber	_____	_____	_____	_____
- Raw milk	_____	_____	_____	_____
- Soy	_____	_____	_____	_____
-	_____	_____	_____	_____
Total	_____	100	_____	100
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Add Revenue from specific business	_____	_____	_____	_____
- Reimbursement from missing products	_____	_____	_____	_____
- Recovery from bad debt	_____	_____	_____	_____
- Proceed from product valuation	_____	_____	_____	_____
-	_____	_____	_____	_____
Total Revenue from specific business	_____	_____	_____	_____
Less Expenses from specific business	_____	_____	_____	_____
- Loan interest expenses - warehouse construction	_____	_____	_____	_____
- Loan interest expenses - product harvesting	_____	_____	_____	_____
- Selling expenses	_____	_____	_____	_____
- Product preservation expenses	_____	_____	_____	_____
- Doubtful debt	_____	_____	_____	_____
- Depreciation - harvest machine and equipment	_____	_____	_____	_____
- Loss from missing products	_____	_____	_____	_____
- Loss from diminishing products	_____	_____	_____	_____
- Loss from obsolete product	_____	_____	_____	_____
- Loss from product devaluation	_____	_____	_____	_____
- Salaries	_____	_____	_____	_____
-	_____	_____	_____	_____
-	_____	_____	_____	_____
Total Expenses from specific business	_____	_____	_____	_____
Profit (Loss) from specific business	_____	_____	_____	_____

Item 4

Details of Profit (Loss) for the Transformed Agricultural Product and Manufacturing Business

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Transformed Agricultural Products				
Sales - Rice types				
Rice	_____	_____	_____	_____
Broken-milled rice	_____	_____	_____	_____
Rice bran	_____	_____	_____	_____
Husk	_____	_____	_____	_____
Total	_____	100	_____	100
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Add Revenue from specific business				
- Recovery from missing rice	_____	_____	_____	_____
- Proceed on rice valuation	_____	_____	_____	_____
- Recovery from rice bad debt	_____	_____	_____	_____
- _____	_____	_____	_____	_____
- _____	_____	_____	_____	_____
Total Revenue from specific business	_____	_____	_____	_____
Less Expenses from specific business				
- Selling expenses	_____	_____	_____	_____
- Doubtful debt - rice receivables	_____	_____	_____	_____
- Loss from missing rice	_____	_____	_____	_____
- Loss from obsolete rice	_____	_____	_____	_____
- Loss from rice devaluation	_____	_____	_____	_____
- _____	_____	_____	_____	_____
- _____	_____	_____	_____	_____
Total Expenses from specific business	_____	_____	_____	_____
Profit (Loss) from specific business	_____	_____	_____	_____

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Sales - Other Products				
- Dried longan	_____	_____	_____	_____
-	_____	_____	_____	_____
Total	_____	100	_____	100
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Add Revenue from specific business				
- Recovery from missing dried longan	_____	_____	_____	_____
- Proceed from dried longan valuation	_____	_____	_____	_____
- Recovery from dried longan bed debt	_____	_____	_____	_____
-	_____	_____	_____	_____
-	_____	_____	_____	_____
Total Revenue from specific business	_____	_____	_____	_____
Less Expenses from specific business				
- Selling expenses	_____	_____	_____	_____
- Doubtful debt - dried longan receivables	_____	_____	_____	_____
- Loss from missing dried longan	_____	_____	_____	_____
- Loss from obsolete dried longan	_____	_____	_____	_____
- Loss from dried longan devaluation	_____	_____	_____	_____
-	_____	_____	_____	_____
-	_____	_____	_____	_____
Total Expenses from specific business	_____	_____	_____	_____
Profit (Loss) from specific business	_____	_____	_____	_____

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Sales - Milk Products				
- Pasteurized Milk	_____	_____	_____	_____
- UHT milk	_____	_____	_____	_____
-	_____	_____	_____	_____
Total	_____	100	_____	100
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Add Revenue from specific business				
- Recovery from missing milk	_____	_____	_____	_____
- Recovery from milk bed debt	_____	_____	_____	_____
- Proceed from milk valuation	_____	_____	_____	_____
-	_____	_____	_____	_____
-	_____	_____	_____	_____
Total Revenue from specific business	_____	_____	_____	_____
Less Expenses from specific business				
- Selling expenses	_____	_____	_____	_____
- Doubtful debt - milk receivables	_____	_____	_____	_____
- Loss from missing milk	_____	_____	_____	_____
- Loss from obsolete milk	_____	_____	_____	_____
- Loss from milk devaluation	_____	_____	_____	_____
-	_____	_____	_____	_____
-	_____	_____	_____	_____
Total Expenses from specific business	_____	_____	_____	_____
Profit (Loss) from specific business	_____	_____	_____	_____

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Sales - Animal Products				
- Cows	_____	_____	_____	_____
- Pigs	_____	_____	_____	_____
-	_____	_____	_____	_____
Total	_____	100	_____	100
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Add Revenue from specific business				
- Recovery from missing of cows/pigs	_____	_____	_____	_____
- Recovery from cows/pigs bed debt	_____	_____	_____	_____
- Proceed from cows/pigs valuation	_____	_____	_____	_____
-	_____	_____	_____	_____
-	_____	_____	_____	_____
Total Revenue from specific business	_____	_____	_____	_____
Less Expenses from specific business				
- Selling expenses	_____	_____	_____	_____
- Doubtful debt-cows/pigs receivables	_____	_____	_____	_____
- Loss from cows/pigs devaluation	_____	_____	_____	_____
-	_____	_____	_____	_____
-	_____	_____	_____	_____
Total Expenses from specific business	_____	_____	_____	_____
Profit (Loss) from specific business	_____	_____	_____	_____

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Sales - Animals' Products				
Sales - Products From Chicken Farm				
- Eggs	_____	_____	_____	_____
- Chicken manure	_____	_____	_____	_____
- Feather	_____	_____	_____	_____
-	_____	_____	_____	_____
Total	_____	100	_____	100
Less Cost of goods sold	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Add Revenue from specific business	_____	_____	_____	_____
- Recovery from missing eggs	_____	_____	_____	_____
- Recovery from bad debt - eggs	_____	_____	_____	_____
- Proceed from retired chicken	_____	_____	_____	_____
- Proceed from egg valuation	_____	_____	_____	_____
-	_____	_____	_____	_____
Total Revenue from specific business	_____	_____	_____	_____
Less Expenses from specific business	_____	_____	_____	_____
- Selling expenses	_____	_____	_____	_____
- Doubtful debt-egg receivables	_____	_____	_____	_____
- Loss from missing eggs	_____	_____	_____	_____
- Loss from egg devaluation	_____	_____	_____	_____
-	_____	_____	_____	_____
Total Expenses from specific business	_____	_____	_____	_____
Profit (Loss) from specific business	_____	_____	_____	_____

Item 5

Details of Profit (Loss) for Service and Agricultural Support Business

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Revenue - water pumping service	_____	_____	_____	_____
Revenue - land improvement service	_____	_____	_____	_____
Revenue - artificial insemination service	_____	_____	_____	_____
License issuance fee	_____	_____	_____	_____
<hr/>				
Total	_____	100	_____	100
Less Cost of service	_____	_____	_____	_____
Gross Profit (Loss)	_____	_____	_____	_____
Add Revenue from specific business				
- Recovery from bad debt - service receivable	_____	_____	_____	_____
- _____	_____	_____	_____	_____
- _____	_____	_____	_____	_____
Total Revenue from specific business	_____	_____	_____	_____
Less Expenses from specific business				
- Demonstrative garden expense	_____	_____	_____	_____
- Machine maintenance expense	_____	_____	_____	_____
- Machine and equipment repair expense	_____	_____	_____	_____
- Doubtful debt - service receivable	_____	_____	_____	_____
- Depreciation expense - machine and equipment	_____	_____	_____	_____
- Salaries	_____	_____	_____	_____
- _____	_____	_____	_____	_____
- _____	_____	_____	_____	_____
Total Expenses from specific business	_____	_____	_____	_____
Profit (Loss) from specific business	_____	_____	_____	_____

Item 6

Details of Other Incomes

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Interest received from financial institutions	_____	_____	_____	_____
Interest received from other Cooperatives	_____	_____	_____	_____
Entrance fee	_____	_____	_____	_____
Returns on investment	_____	_____	_____	_____
Proceed on sales of investment	_____	_____	_____	_____
Gain on sales of assets	_____	_____	_____	_____
Rewards from other lots	_____	_____	_____	_____
Rental income	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Other Incomes	_____	_____	_____	_____
	_____	_____	_____	_____

Item 7

Details of Operating Expenses

	<u>Year 20...</u>		<u>Year 20...</u>	
	<u>Baht</u>	<u>%</u>	<u>Baht</u>	<u>%</u>
Salaries and wages	_____	_____	_____	_____
Overtime	_____	_____	_____	_____
Meeting allowance	_____	_____	_____	_____
Transportation allowance	_____	_____	_____	_____
Entertainment	_____	_____	_____	_____
Officers' pension	_____	_____	_____	_____
Stationary expenses	_____	_____	_____	_____
General meeting expenses	_____	_____	_____	_____
Remunerations on Cooperative's business supervisors	_____	_____	_____	_____
Audit fee	_____	_____	_____	_____
Utilities	_____	_____	_____	_____
Telephone and postage	_____	_____	_____	_____
Doubful debt - receivable per adjudication	_____	_____	_____	_____
Doubful debt - receivable under litigation process	_____	_____	_____	_____
Doubful debt - interest per adjudication	_____	_____	_____	_____
Bad debt - receivable per adjudication	_____	_____	_____	_____
Bad debt - receivable under litigation process	_____	_____	_____	_____
Bad debt - interest per adjudication	_____	_____	_____	_____
Depreciation of building & equipment	_____	_____	_____	_____
Amortization.....(property , plant and equipment)	_____	_____	_____	_____
Maintenance expense - plant and equipment	_____	_____	_____	_____
Insurance expense	_____	_____	_____	_____
Office rental	_____	_____	_____	_____
Loss on sales of assets	_____	_____	_____	_____
Loss on sales of investment	_____	_____	_____	_____
Interest expenses on cash deposit receipt	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Other expenses	_____	_____	_____	_____
	_____	_____	_____	_____

Explanation for the Statement of Income Items
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The Presentation of the statement of income and supporting item to financial statement of agricultural, land settlement, fishery, consumer, service and credit union cooperatives which have the share capital greater the or equal to Baht 1,000,000.00 (Only Credit union cooperatives operate their business relating credit, cash deposit and others) shall follow the aforementioned guidelines and the following types and definitions as follow:

Heading of the statement of income

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

Business of agricultural, land settlement, fishery, consumer, service and credit union cooperatives comprise of:

Credit business is the business which cooperative provides loan or agricultural credit to member according to lending rule and condition in order to support member making a living or necessary spending for instance, various type of loan which having various condition as stipulated in the Cooperative's regulation.

Trading business is the business which cooperative procures or purchases agricultural machines, supply equipment, chemical, gasoline & lubricant including consumer products necessary to sell to member and non-member according to the Cooperative's regulation.

Compilation of product business is the business which cooperative gathers product of member and non-member. For example; paddy, corn, rubber, raw milk soy, etc. in order to sell at a good price and project member's benefit and it is a business negotiation mechanism.

Transformed agricultural product and manufacturing business is the business which cooperative bring product gathered from member and non-member in order to sell and reproduce which can be categorized according to product obtained from producing process as follows:

1. Rice means paddy transformed to rice in order to sell
2. Other products mean other products transformed to finished goods in order to sell.

For instance; dried longan, dried durian etc.

3. Milk product means raw milk transformed to milk product in order to sell. For instance; pasteurized milk, UHI milk etc.

4. Trade domestic animal means domestic animals which are looked after for sell. For instance; cow, pig and chicken etc.

5. Product from domestic animal means domestic animals which are looked after in order to sell its product. For instance, to look after hen in order to sell eggs.

In case of the cooperative having another products a part from the aforementioned, cooperative shall present such additional products in order to realize about cost of sale, gross profit (loss) and Net Profit from specific business. For instance; cooperative produces feed for sales etc.

Service and agricultural support business is the business which cooperative provides support to agriculturist in term of knowledge sharing and agricultural promotion; cultivate planning including soil service and maintain in order to increase benefit of member's cultivate. For instance; pump service, surface leveling, water delivery management system etc.

The presentation of transactions in statement of income:

Revenue from sales/services rendered represents revenue from credit business, trading business, compilation of product business, Transformed agricultural product and manufacturing businesses and Service and agricultural support business. To combine of 5 businesses by presenting revenues of trading business, compilation of product business and Transformed agricultural product and manufacturing businesses with net sales (sales deducted by goods returned and discount).

Cost of goods sold/services rendered represents costs of products or services for the combination of 5 businesses by presenting cost of sales/service in aggregate amount.

Gross profit (loss) represents the difference between Revenue from sales/services rendered and costs of goods sold/services rendered. In case of (Revenue from sales/services rendered) is higher than costs of goods sold/services rendered, it is gross profit. In another hand, the difference is gross loss which shall be presented parentheses.

Revenue from specific business represents revenue which can be clearly split into specific business; however, it is not core revenue of such business. For instance; revenue from penalty, recover from doubtful debt etc. including other income which can be clearly split to specific business and specific revenue shall be presented in aggregate amount.

Expenses from specific business represent expenditure which can be clearly split into specific business. For instance; selling expense, doubtful debt, loss from missing inventory, interest expense on loan of specific business including operating expenses which can be clearly split to specific business and Expenses from specific business shall be presented in aggregate amount.

Profit (loss) from specific business can be calculated by using gross profit or gross loss plus specific revenue from specific business and deducted by expenses from specific business in order to present profit or loss of each business (In case of loss, figure has to be presented in parentheses) and prepare supporting item to financial statements 1 – 5.

Other incomes represent other income which is not revenue from cooperative business and revenue which cannot be classified to specific business. For instance; interest received from financial institution, interest received from other cooperatives, entrance fee, returns on investment, gain on sales of assets, and rewards from other lots issued by banks and financial institution, other incomes etc. by presenting other incomes in aggregate amount and prepare supporting item to financial statements 6. In case of no other incomes in current and prior years, this transaction shall be deleted and supporting detail is not required.

Total represents the bringing of profit (loss) from specific business plus (less) other incomes. In case of no other incomes in current and prior years, this transaction shall be deleted.

Operating expense represents general expenditure occurred in the overall business management, for instance; salaries and wages, overtime, meeting allowance, transportation allowance, stationary expenses, entertainment, officers' pension, depreciation of building & equipment, utilities etc. by presenting in aggregate amount and prepare supporting item to financial statements 7.

In case of depreciation of building & equipment has to be specified clearly, for instance, depreciation – equipment, depreciation – office equipment, and etc.

Net profit (loss) represents the result of total amount deducted by Operating expense. The result presents as net profit or loss (In case of net loss shall be presented parentheses).

Explanation for items 1-7 in the financial statements shall be presented in the determined format by having numbering of supporting item to financial statements. In case of no supporting details, referring number should be adjusted.

Supporting details of profit (loss) from specific business of each business (supporting item to financial statements 1-5) shall be presented figure in percentage of each transaction comparing to total sales or total major revenue of each business which percentage of total sales or total major revenue is equal to 100.

Other supporting details (supporting item to financial statements 6) and operating expenses details (supporting item to financial statements 7) shall be presented in percentage of each transaction comparing to total sales/service rendered in statement of income. Therefore, total percentage in other income details and operating expense details shall be equal to percentage of such transaction in statement of income and total amount of supporting details of each set shall be equal to figures stated in statement of income.

Observation for the preparation of statement of income

1. If cooperative operates a single business, shall adjust statement of income format as appropriate.
2. Supporting item to financial statement especially for other incomes, shall be prepared if there is more than a transaction. If there is only a single transaction, it shall be specified clearly in statement of income.
3. In case of no revenue of certain business due to stop operation or other reason but still having specific expenses occurred, it shall be presented as specific expenses of such business and it will be reflected loss of such specific business
4. In case of cost or certain expenditure presented in statement of income when comparing to revenue and its percentage is higher than 100 which can be presented in percentage that higher than 100 and calculation is time is not required.

Statement of Costs of Goods Sold/Services Rendered

- ◆ **Statement of Costs of Goods Sold/
Services Rendered Format**
- ◆ **Explanation for Costs of Goods Sold/
Services Rendered Items**

Cooperative.....
Statement of Cost of Goods Sold/Services Rendered
Fot the year ended.....

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Credit business		
Interest expenses - Loan	_____	_____
- Deposit	_____	_____
Cost of services rendered	_____	_____
Trading business		
Agricultural Products		
Beginning inventories	_____	_____
Add Purchase of fertilizer	_____	_____
Purchase of machine & equipment	_____	_____
Purchase of chemical products	_____	_____
Purchase of animal foods	_____	_____
_____	_____	_____
Expenses relating purchases	_____	_____
Total	_____	_____
Less obsolete product amortization	_____	_____
Less Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____
Fuel Products		
Beginning inventories	_____	_____
Add Purchase of fuel	_____	_____
Purchase of lubricant	_____	_____
Expenses relating purchases	_____	_____
Total	_____	_____
Less obsolete product amortization	_____	_____
Less Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____

	<u>Year 20...</u> Baht	<u>Year 20...</u> Baht
Other Products		
General Products		
Beginning inventories	_____	_____
Add Purchase of general products	_____	_____
Expenses relating purchases	_____	_____
Total	_____	_____
Less obsolete product amortization	_____	_____
Less Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____
Installment Products		
Beginning inventories	_____	_____
Add Purchase of instrallment products	_____	_____
Expenses relating purchases	_____	_____
Total	_____	_____
Less obsolete product amortization	_____	_____
Less Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____
Consignment Products		
Beginning inventories	_____	_____
Add Purchase of consignment products	_____	_____
Expenses relating purchases	_____	_____
Total	_____	_____
Less obsolete product amortization	_____	_____
Less Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Bought-Through Account Products		
Beginning inventories	_____	_____
Add Purchase of bought-through account products	_____	_____
Expenses relating purchases	_____	_____
Total	_____	_____
<u>Less</u> obsolete product amortization	_____	_____
<u>Less</u> Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____
Compilation of Products business		
Beginning inventories	_____	_____
Add Purchase of paddy	_____	_____
Purchase of corn	_____	_____
Purchase of rubber	_____	_____
Purchase of raw milk	_____	_____
Purchase of soy	_____	_____
Expenses relating purchases	_____	_____
Total	_____	_____
<u>Less</u> obsolete product amortization	_____	_____
<u>Less</u> Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Transformed Agricultural Products and Manufacturing Business		
Transformed Agricultural Products		
Rice Type		
Beginning inventories	_____	_____
Add Cost of manufacturing	_____	_____
Total	_____	_____
Less obsolete product amortization	_____	_____
Less Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____
Other Types		
Beginning inventories	_____	_____
Add Cost of manufacturing	_____	_____
Total	_____	_____
Less obsolete product amortization	_____	_____
Less Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____
Milk Products		
Beginning inventories	_____	_____
Add Cost of manufacturing	_____	_____
Total	_____	_____
Less obsolete product amortization	_____	_____
Less Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____

	<u>Year 20...</u> Baht	<u>Year 20...</u> Baht
Animals for Sales		
Beginning inventories	_____	_____
Add Cost of manufacturing	_____	_____
Total	_____	_____
Less Ending inventories	_____	_____
Cost of goods sold	_____	_____
Animals' Products		
Beginning inventories	_____	_____
Add Cost of manufacturing	_____	_____
Total	_____	_____
Less obsolete product amortization	_____	_____
Less Ending inventories	_____	_____
- Normal conditions	_____	_____
- obsolete conditions	_____	_____
Cost of goods sold	_____	_____
Service and Agricultural Support Business		
_____	_____	_____
_____	_____	_____
Cost of services rendered	_____	_____
Total Cost of Goods Sold/Services Rendered	_____	_____

Explanation for the Statement of Cost of Goods sold/Service Rendered Items

The statement of cost of goods sold/service presentation and supporting item to financial statement of agricultural, land settlement, fishery, consumer, service and credit union cooperatives which have the share capital greater the or equal to Baht 1,000,000.00 (only Credit union cooperatives operate their business relating credit, cash deposit and others) shall follow the aforementioned guidelines and the following types and definitions as follow:

Heading of the statement of cost of goods sold/service rendered
--

Similar to statement of income

Cost of goods sold of each business consist of the followings:

Credit business represents interest expenses on loan which borrowed in order to lend to members.

Trading business needs to separate transaction according to type of products. For instance; agriculture type, fuel type, general products type, installment products type, consignment products type etc. Cost of sales of each product comprise of beginning inventory balance plus purchase (net return and discount) and expenses relating to purchase deducted with obsolete inventory (if any) and ending inventory balance which spilt into normal and obsolete inventory.

Compilation of products business Its cost of sale of compilation of product business comprise of beginning product balance plus purchase which is the portion purchase for sell only (to separate each type clearly and to use the amount net with return and discount) and expenses relating to purchase deducted with obsolete inventory (if any) and ending product balance which spilt into normal and obsolete inventory.

Transformed agricultural products and manufacturing business To separate transaction according to type of products. For instance; paddy, other products, milk product, domestic animal, domestic animal in order to sell its products etc. Cost of sales of each product comprise of beginning inventory balance plus production cost (statement of production costs.) deducted with obsolete inventory (if any) and ending product balance which spilt into normal and obsolete inventory.

Service and agricultural support business For instance; expense varies directly to agricultural promotional service provided to member. For instance, labor cost relating to the adjustment of space to pump water into field, gasoline for agricultural machines etc.

Observation for the preparation of statement of cost of goods sold/service rendered

1. Beginning inventory balance of current year shall be equal to ending inventory balance or prior year.
2. Expense relating to the last purchase inventory which has not been sold shall be treated as cost of ending inventory to be carried forward to next year. If there is partial sale, expense relating to purchase has to be averaged proportionately and the portion of ending inventory shall be included as a part of ending inventory balance of the year.
3. If there is no any transaction according to statement of cost of sales/service, such transaction shall be deleted
4. If cooperative operates credit business as a single business, the preparation of statement of cost of goods sold/service rendered is not required.

Statement of Production Costs

- ◆ **Statement of Production Costs Format**
- ◆ **Explanation for the Statement of Production**

Costs Items

Cooperative.....
Statement of Production Costs
 For the year ended.....

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Transformed Agricultural Products and Manufacturing Business		
Transformed Agricultural Products		
Paddy		
Beginning inventory - paddy	_____	_____
Add Purchase of paddy	_____	_____
Expenses relating purchases	_____	_____
Total	_____	_____
Less Ending inventory - paddy	_____	_____
Paddy used in manufacturing	_____	_____
Add Salaries	_____	_____
Wages	_____	_____
Add Manufacturing expenses	_____	_____
- Electricity expense	_____	_____
- Water expense	_____	_____
- Depreciation - machine	_____	_____
- Depreciation - mill	_____	_____
- _____	_____	_____
- _____	_____	_____
Cost of Manufacturing	_____	_____
Other Transformed Products		
Dried Longan		
Beginning inventory - longan	_____	_____
Add Purchase of longan	_____	_____
Expenses relating purchases	_____	_____
Total	_____	_____
Less Ending inventory - longan	_____	_____
Longan used in manufacturing	_____	_____

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
<u>Add</u> Salaries	_____	_____
Wages	_____	_____
<u>Add</u> Manufacturing expenses		
- Electricity expense	_____	_____
- Water expense	_____	_____
- Depreciation - machine	_____	_____
- Depreciation - mill	_____	_____
-	_____	_____
-	_____	_____
	_____	_____
Cost of Manufacturing	_____	_____
Transformation of Raw Milk		
Beginning inventory - raw milk	_____	_____
<u>Add</u> Purchase of raw milk	_____	_____
Expenses relating purchases	_____	_____
	_____	_____
Total	_____	_____
<u>Less</u> Ending inventory - raw milk	_____	_____
Raw milk used in manufacturing	_____	_____
<u>Add</u> Salaries	_____	_____
Wages	_____	_____
<u>Add</u> Manufacturing expenses		
- Electricity expense	_____	_____
- Water expense	_____	_____
- Packaging expense	_____	_____
- Depreciation - machine	_____	_____
Depreciation - building	_____	_____
-	_____	_____
-	_____	_____
	_____	_____
Cost of Manufacturing	_____	_____

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Animals For Sales		
Animal Farm		
Beginning inventory - animal foods		
Add Purchase of animal foods		
Expenses relating purchases		
Total		
Less Ending inventory - animal foods		
Animal foods consumed		
Add Salaries		
Wages		
Add Farm Expenses		
- Electricity expense		
- Water expense		
- Depreciation - building		
-		
Cost of Manufacturing		
Products from Animals		
Chicken's Egg Producing		
Beginning inventory - chicken foods		
Add Purchase of chicken foods		
Expenses relating purchases		
Total		
Less Ending inventory - chicken foods		
Chicken foods consumed		
Add Salaries		
Wages		
Add Chicken Farm Expenses		
- Electricity expense		
- Water expense		
- Depreciation - chicken gene		
- Depreciation - building		
-		
Cost of Manufacturing		

Explanation for the Statement of Production Costs Items
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The statement of production costs presentation and supporting item to financial statement of agricultural, land settlement, fishery, consumer, service and credit union cooperatives which have the share capital greater the or equal to Baht 1,000,000.00 (only credit union cooperatives operate their business relating credit, cash deposit and others) shall follow the aforementioned guidelines and the following types and definitions as follow:

Heading of the statement of production costs

Similar to statement of income

The presentation of transaction in statement of production costs shall be separated production cost according to type. For instance; agricultural e.g. paddy, other products e.g. dried longan, raw milk, domestic animals for sale and domestic animal grown for sell its product etc.

Production cost of each type comprise of beginning raw material balance plus purchase of raw material (net of return and discount) and expense relating to purchase deducted with ending raw material balance and its result is raw materials consumed. Raw materials consumed plus salaries and wages relating to production and production overhead e.g. gasoline and lubricant, sack charge, packaging, water-electricity of factory, repair & maintenance of machinery and equipment, depreciation of factory/mill/machines and equipment including factory supplies etc.

Observation for the preparation of statement of production cost

1. Purchase transaction of raw material is the raw material purchased for production only.
2. The preparation of statement of production costs is applicable only to cooperatives which its operation relates to agricultural product transforms and product manufacturing.
3. For certain cooperatives operate transformed agricultural products and manufacturing business in multiple types, statement of production costs shall be prepared separately according to type of production.
4. The cooperative which has no its own mill but the cooperative takes paddy and engaged another mill to polish paddy and pay as service expense, Cooperative shall create rice mill charge and treated as the cooperative operates as Transformed agricultural products and manufacturing business and statement of production costs has to be prepared and using statement of production costs is allowable. Therefore, cost of paddy which milled by another mill shall be presented at same line of paddy consumed for production. Mill charge shall be presented as same line of wages and sack used for packing rice, broken-milled rice and rice bran recorded and presented as same line of production overhead. Other transactions shall be deleted.

5. Similar to No. 4 but cooperative acts in form of barter meaning that mill whom is engaged will obtain broken-milled rice, rice bran and chaff as compensation. This is treated like cooperative operates as transformed agricultural product and manufacturing business and has to prepare statement of production as mentioned in No. 4 except for there is no wages transaction.

Notes to the Financial Statements

- ◆ **Notes to the Financial Statements Format**
- ◆ **Sample for notes to the Financial Statements**
- ◆ **Explanation for Notes to the Financial Statements Items**

Cooperative.....**Notes to the Financial Statements****For the year ended.....**

1. Significant accounting policies
2. Cash and deposits at the financial institutions
3. Deposit at other cooperatives
4. Investment
5. Short-term loans – net
6. Accounts receivable – net
7. Accrued interest receivables – net
8. Inventories
9. Other current assets
10. The value of animal breed – net
11. Property, plant and equipment – net
12. Intangible assets
13. Other non-current assets
14. Bank overdraft and short-term loans
15. Deposits received
16. Other current liabilities
17. Long-term loans
18. Hire-purchase payable
19. Other non-current liabilities
20. Legal reserves
21. Unrealised gain (loss) on investment

etc.

(Sample for 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 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.
- ◆ Cooperative records installment/hire purchase sales by presenting gross profit as deferred income and recognizes as income of each accounting period according to settlement due or recognizes gross profit as income in full in accounting period which installment/hire purchase transaction occurred.
- ◆ Cooperative records interest from installment sales by presenting deferred interest on installment sales in order to offset against installment receivable in statement of financial position. For the recognition of deferred interest as income of each accounting period, cooperative calculates from net cash as at the beginning of period, settlement of each period according to interest rate of installment plan by using annuity table (To be used in case of long installment period approximately 10-15 years) / or cooperative calculates according to sums of the year digit method (To be used in case of short-term installment period approximately 3-4 years)
- ◆ Cooperative records installment products which are seized back from bad debt receivable with net amount of outstanding installment receivable deducted by deferred interest of such customer. As at the end of the year, cooperative appraises the valuation of seized products for sales with the lower of net book value or net realizable value.
- ◆ Cooperative recognizes revenue from sale through-account when products are delivered to offices or governments.
- ◆ Cooperative records trading transaction of sugar cane which cooperative is the representative of member and getting compensation in form of management fee likewise cooperative purchase and sells.
- ◆ Cooperative records income from fine by calculating on daily from outstanding balance which maintain longer than credit-term as stipulated in agreement.

- ◆ Cooperative records expense directly to the foster of pigs in order to sell, for example, meal and medicine for pigs as cost or capital of domestic animal and will be recognized as cost of sale when sales.
- ◆ Cooperative calculates cost of paddy which is used for mill by using the calculation method reversely from actual rice produced in an average standard or result of the rice mill test of cooperative. 1,000 kilograms paddy can be milled to milled rice kilograms as a basis.
- ◆ 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 records allowance for doubtful debt amount which is sufficient for future loss by determining each outstanding receivable as at year-end or calculates according to percentage of outstanding receivable balance as at year-end date or calculates according to percentage of outstanding receivable balance as at year-end date according to aging of each receivable.
- ◆ Cooperative recognizes inventory valuation with lower of cost or net realizable value. Cost is calculated by first-in first-out method or weighted average cost or by products type is calculated by first-in first-out method and product type is calculated by weighted average cost method.
- ◆ Cooperative values self-manufactured products by cost plus production overhead.
- ◆ Cooperative values finished goods and work in process according to average cost which is approximate to the lower of present production costs or net realizable value.
- ◆ 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.
 - ◆ Patent amortized by straight-line method at the rate of per annum starting from
 - ◆ Cooperative obtains concession to operate which having period year
 - ◆ 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.
- etc.

2. Cash and Deposits 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	_____	_____
Total	_____	_____

Commitments

Deposits atBank 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. Deposit at Other Cooperatives, consist of the followings:

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

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. Investment, consist of the followings:

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

	<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>
<u>Non-marketable securities</u>				
_____		_____		_____
_____		_____		_____
Total		_____		_____
Total Short-term Investment		_____		_____
 <u>Long-term investment</u>				
<u>Marketable securities</u>				
Government bonds				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Debentures				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Shares				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total		_____		_____
Add (Less) Impairment on investment		_____		_____
Total		_____		_____
<u>Non-marketable securities</u>				
- Shares of cooperative federation/other cooperatives (please specify)				
-		_____		_____
-		_____		_____
Total		_____		_____
Total Long-term Investment		_____		_____

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>
Loan to cooperative	_____	_____	_____	_____
Short-term loans	_____	_____	_____	_____
Intermediate-term loans	_____	_____	_____	_____
Other loans	_____	_____	_____	_____
Total loans	_____	_____	_____	_____
Less Allowance for doubtful accounts	_____	_____	_____	_____
Allowance for doubtful accounts discrepancy	_____	_____	_____	_____
Loans - Net	_____	_____	_____	_____

As at, allowance for doubtful accounts comprises of..... and allowance for doubtful debt discrepancy debt comprises of.....

6. Accounts 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>
Notes receivable	_____	_____	_____	_____
Trade account receivable	_____	_____	_____	_____
Installment receivable	_____	_____	_____	_____
Service receivable	_____	_____	_____	_____
Other receivable	_____	_____	_____	_____
Total account receivables	_____	_____	_____	_____
Less Allowance for doubtful accounts	_____	_____	_____	_____
Allowance for discrepancy debt	_____	_____	_____	_____
Account Receivables - Net	_____	_____	_____	_____

6.1 As at, allowance for doubtful accounts comprises of..... and allowance for discrepancy debt comprises of.....

6.2 The calculation of the above installment receivable are as the followings:

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Installment receivable	_____	_____
<u>Less</u> Accrued interest from installment	_____	_____
Total	_____	_____

(This presentation is used for the cooperative which calculates interest and accrued interest from installment and deferred output VAT into account receivables).

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	_____	_____
<u>Less</u> Allowance for doubtful accounts	_____	_____
Accrued interest receivables - net	_____	_____

8. **Inventories**, consist of the followings:

	<u>Year 20...</u>	<u>Year 20...</u>
	<u>Baht</u>	<u>Baht</u>
Inventories - normal	_____	_____
Inventories - obsolete	_____	_____
Total	_____	_____
<u>Less</u> Allowance for impairment on inventories	_____	_____
Inventories - Net	_____	_____

9. Other Current Assets, consist of the followings:

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

10. The value of animal breed - net, consist of the followings:

	<u>Year 20...</u> Baht	<u>Year 20...</u> Baht
Animal breeder - male pigs	_____	_____
Animal breeder - female pigs	_____	_____
Eggs	_____	_____
Total	_____	_____
Less Allowance for animal breed	_____	_____
The value of animal breed - net	_____	_____

Allowance for animal breed consists of breed allowance for pig breeder (male) totaling Baht....., breed allowance for pig breeder (female) totaling Baht....., and breed allowance for eggs totaling Baht.....

In case the cooperative uses direct method to record the allowance, it is mandatory to disclose cost of animal breed at net book value after net off the allowance.

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

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

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).

12. Intangible assets, consist of the followings:

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

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

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

14. Bank Overdraft and Short-Term Loans, consist of the followings:

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

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

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

15. Deposits, consist of the followings:

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

16. Other Current Liabilities, consist of the followings:

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

17. 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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total	_____	_____	_____	_____

During the year.....the cooperative has made long-term loans from.....of Baht..... with interest rateper 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.

18. 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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total	_____	_____	_____	_____

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

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

20. Legal Reserves, consist of the followings:

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

21. 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	_____	_____

22. Net Profit (Loss) for the Year

.....
.....

23. Maintaining the Cooperative's Liquidity Assets

.....
.....

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

.....
.....

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

In case which cooperative records animal breed depreciation by reducing animal breed balance directly, it shall be disclosed by presenting outstanding balance of animal breed - net animal breed 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)	_____	_____
	_____	_____
Total	_____	_____
Less Accumulated depreciation	_____	_____
Property, plant and equipment - net	_____	_____

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 of member and deposits 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 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.
