

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

FINANCIAL STATEMENT

&

AUDIT REPORT

(October' 2021 to March' 2022)

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

- ❖ **STATEMENT BY THE DIRECTORS**
- ❖ **INDEPENDENT AUDITOR'S REPORT**
- ❖ **STATEMENT OF FINANCIAL POSITION as at year end**
- ❖ **STATEMENT OF INCOME AND EXPENDITURE for the year ended**
- ❖ **STATEMENT OF CHANGES IN EQUITIES as at year end**
- ❖ **STATEMENT OF CASH FLOWS as at year end**
- ❖ **NOTES TO ACCOUNTS for the year ended**
- ❖ **SCHEDULES TO ACCOUNTS for the year ended**

Period..... From October 2021 to March 2022

STATEMENT BY DIRECTORS
OF
THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR
INCORPORATED
FOR THE YEAR ENDED 31 March 2022

We, being the Directors of “**THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED**”, do hereby state that, in the opinion of the Directors:

- (1) the accompanying financial statements are drawn up in accordance with the provisions of Myanmar Companies Law and International Financial Reporting Standards (“IFRS”), so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and the results, changes in equity and cash flows for the year then ended.
- (2) at the date of this Statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and
- (3) the Statement of Financial Position and the Statement of Income and Expenditure were signed by us as authentication under Section 257 and 258 of the Myanmar Companies Law.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Anant Kulkarni,
Treasurer

--

On behalf of the Board of Directors



Yangon Professional Ltd.
AUDIT FIRM

- 1. No.(180/184), Room (101), 1 Street, 4 Ward, Kamayut Tsp, Yangon, Myanmar.
- 2. Building (E), Room (606), 1 Street, Highway Complex Housing, Kamayut Tsp, Yangon, Myanmar.
- + 959 519 6414 , 765196414
- www.yangonprofessional.com
- info@yangonprofessional.com
yangonprofessionalltd@gmail.com

AUDITORS' REPORT TO THE MEMBERS
OF
THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR
INCORPORATED
FOR THE YEAR ENDED 31 March 2022

Opinion

We have audited the financial statements of **THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED** (“the Company”), which comprises the statement of financial position of the Company as at 31 March 2022, and the statement of income and expenditure, statement of changes in equity and statement of cash flows of the Company for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of Myanmar Companies Law and International Financial Reporting Standards (“IFRS”) so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the results and cash flows of the Company for the year then ended.

Basis for Opinion

We conducted our audit in accordance with Myanmar Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of Myanmar Companies Law and International Financial Reporting Standards (“IFRS”), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with government are responsible for overseeing the Company’s financial reporting process.



Auditors' responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with MSAs will always detect a material misstatement when it exists. Misstatements can rise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with MSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, of the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Company to express an opinion on the financial statements. We are responsible for the direction, supervision and of the Company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Yangon Professional Ltd.
AUDIT FIRM

1. No.(180/184), Room (101), 1 Street, 4 Ward, Kamayut Tsp, Yangon, Myanmar.
2. Building (E), Room (606), 1 Street, Highway Complex Housing,
Kamayut Tsp, Yangon, Myanmar.
+ 959 519 6414 , 765196414
www.yangonprofessional.com
info@yangonprofessional.com
yangonprofessionaltd@gmail.com

Report on Myanmar Companies Law requirements

Further to our above opinion we report as follows:

- (a) the accounting and other records required by the Law to be kept by the Company have been properly kept in accordance with the provisions of Section 258 of the Company Law.
- (b) in accordance with the provisions of Section 280 (1) and (2):
 - we have obtained all the information and explanations we have required; and
 - the financial statements are drawn up in conformity with the provisions of the Law.
- (c) the Statement of Financial Position and the Statement of Income and Expenditure were signed by us as authentication under Section 257 and 258 of the Myanmar Companies Law.

Soe Thandar Lwin

Certified Public Accountant

YANGON PROFESSIONAL LIMITED

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

STATEMENT OF FINANCIAL POSITION as at 31 March 2022

	Note	2021-2022		2020-2021
		USD	Equ:MMK	USD
1 ASSETS				
1.1 NON-CURRENT ASSETS				
1.1.1 Property, Plant and Equipment	Sch-01	2,368.39	4,207,231.68	6,573.25
Total Non-Current Assets		2,368.39	4,207,231.68	6,573.25
1.2 CURRENT ASSETS				
1.2.1 Accounts Receivable		22,793.97	40,491,436.25	20,650.01
1.2.2 Prepayments & Deposit	4	8,040.52	14,283,260.13	14,862.83
1.2.3 Current - FocusCore		246.28	437,494.25	-
1.2.4 Cash and Cash equivalents	5	329,476.23	585,284,869.73	243,664.39
Total Current Assets		360,557.00	640,497,060.37	279,177.23
TOTAL ASSETS		362,925.39	644,704,292.05	285,750.48
EQUITY AND LIABILITIES				
2 EQUITY				
2.1 Reserves		177,629.83	315,543,406.31	177,629.83
2.2 Scholarship Fund		40,818.00	72,509,503.38	24,308.00
2.3 Retained Earnings	6	(9,125.73)	(16,211,045.30)	21,838.79
Total Equity		209,322.10	371,841,864.39	223,776.62
3 LIABILITIES				
3.1 CURRENT LIABILITIES				
3.1.1 Accounts Payable		2,389.93	4,245,495.55	6,623.51
3.1.2 Other Payables	7	144,202.86	256,163,409.80	53,400.41
3.1.3 Accrued Expenses	8	7,010.50	12,453,522.31	1,949.94
Total Liabilities		153,603.29	272,862,427.66	61,973.86
TOTAL EQUITY AND LIABILITIES		362,925.39	644,704,292.05	285,750.48

The annexed accounting policies and explanatory notes form an integral part of the financial statements.

Anant

Anant Kulkarni, Treasurer

On behalf of the Board of Directors

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED
STATEMENT OF INCOME AND EXPENDITURE for the year ended 31 March 2022

	Note	2021-2022		2020-2021
		<u>USD</u>	<u>Equ:MMK</u>	<u>USD</u>
1 INCOME	9	102,292.00	181,712,531.72	220,890.20
Total income		102,292.00	181,712,531.72	220,890.20
2 EXPENDITURE				
Wages and Salaries		63,565.00	112,917,501.65	106,822.03
Travel	10	105.85	188,033.00	112.03
Rent		5,275.00	9,370,562.75	47,992.40
Event Cost	11	10,341.65	18,371,010.48	4,184.48
Administrative Expenses	12	44,770.65	79,531,030.37	30,701.00
Different on Foreign Exchange	13	(248.13)	(440,780.61)	6,094.43
Professional Fees	14	9,446.50	16,780,857.07	14,458.75
Total expenditure		133,256.52	236,718,214.69	210,365.12
EXCESS OF INCOME OVER EXPENDITURE		(30,964.52)	(55,005,682.97)	10,525.08

The annexed accounting policies and explanatory notes form an integral part of the financial statements

On behalf of the Board of Directors

Anant Kulkarni, Treasurer

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

STATEMENT OF CHANGES IN EQUITIES as at 31 March 2022

USD

	Reserves	Scholarship Fund	Accumulated Profit/(Loss)	Total
Balance at 1, October 2021	177,629.83	24,308.00	21,838.79	223,776.62
Adjustment-Current Year	-	16,510.00	-	16,510.00
	177,629.83	40,818.00	21,838.79	240,286.62
Excess Of Expenditure Over Income	-	-	(30,964.52)	(30,964.52)
Balance at 31, March 2022	177,629.83	40,818.00	(9,125.73)	209,322.10

The annexed accounting policies and explanatory notes form an integral part of the financial statements

On behalf of the Board of Directors



Anant Kulkarni, Treasurer

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

STATEMENT OF CASH FLOWS as at 31 March 2022

	<u>USD</u>
<u>Cash Flow From Operating Activities</u>	
Excess Of Expenditure Over Income	(30,964.52)
Adjustment for;	
Unrealized Exchange Difference	
Depreciation and Amortization	473.09
Operating Cash flow before Working Capital Changes	<u>(30,491.43)</u>
Changes in Operating Assets and Liabilities	
(Increase) / Decreased in Account Receivable	(2,143.96)
(Increase) / Decreased in Prepayments & Deposit	6,822.31
(Increase) / Decreased in Current - FocusCore	(246.28)
Increase / (Decreased) in Accounts Payable	(4,233.58)
Increase / (Decreased) in Other Payables	90,802.45
Increase / (Decreased) in Accrued Expenses	5,060.56
Cash Generated from Operation	<u>65,570.07</u>
Advanced Income Tax	-
Net Cash From/(Used in) Operating Activities	<u>65,570.07</u>
<u>Cash Flow From Investing Activities</u>	
Disposal of Fixed Assets	3,731.77
Net Cash From/(Used in) Investing Activities	<u>3,731.77</u>
<u>Cash Flow From Financing Activities</u>	
Reserves	-
Scholarship Fund	16,510.00
Net Cash From/(Used in) Financing Activities	<u>16,510.00</u>
Net Increased/(Decreased) in Cash Held	<u>85,811.84</u>
Cash and Cash equivalents at Beginning of Period	<u>243,664.39</u>
Cash and Cash equivalents at End of Period	<u>329,476.23</u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

On behalf of the Board of Directors

Anant Kulkarni, Treasurer

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

NOTES TO ACCOUNTS for the year ended 31 March 2022

These notes form an integral part of the accompanying financial statements.

The financial statements were authorised for issue by the Board of Directors.

1 Domicile and Principal activities

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED is domiciled and incorporated in the Republic of the Union of Myanmar with its registered office at Bogyoke Aung San Road, No.3/A, 14-00, Suite 51, Junction City Tower, Pabedan Township, Yangon Region, Myanmar.

The principal activities of the company consist of activities of membership organizations.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in compliance with the provisions of Myanmar Companies Law and the applicable standards of International Financial Reporting Standards (IFRS).

2.2 Basis of measurement

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

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

There are no accounting estimates and judgments made by the management that has a significant effect on the financial statements.

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

NOTES TO ACCOUNTS for the year ended 31 March 2022

These notes form an integral part of the accompanying financial statements.

3 Summary of Significant Accounting Policies

The accounting policies set out below have been applied throughout the accounting period.

3.1 Foreign Currency Translation

The Company maintains its accounting records in United States Dollars (USD). The Company considers United States Dollars to be its functional currency.

The financial statements are presented in United States Dollars (USD). All exchange differences are recognized in the Statement of Income and Expenditure.

3.2 Property, plant and equipment

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation. Depreciation is recognised in the statement of income and expenditure on a straight-line basis over their estimate's useful lives.

The Summary of PPE is attached as Schedule-01 to the Statement of Financial Position.

4 Prepayments & Deposit

	2021-2022	
	(USD)	(Equ:MMK)
Deposit	2,034.00	3,613,217.94
Prepayments - Equipment and IT	5,192.77	9,224,488.56
Prepayments - Rent	813.75	1,445,553.64
	8,040.52	14,283,260.13

5 Cash and Cash equivalents

	2021-2022	
	(USD)	(Equ:MMK)
AYA Bank (MMK)	11,092.49	19,704,810.16
AYA Bank (USD)	135,273.63	240,301,429.07
CB Bank (MMK)	31,793.50	56,478,291.34
CB Bank (USD)	79,277.32	140,829,024.02
CB Visa Card - USD	1,512.95	2,687,619.51
COH MMK	2,322.38	4,125,499.06
COH USD	64,393.00	114,388,369.13
Event Bank-Glue Up	2,660.00	4,725,250.60
Petty Cash-USD	980.00	1,740,881.80
Petty Cash-MMK	170.96	303,695.05
<i>Exchange Rate is 1776.41 MMK per USD</i>	329,476.23	585,284,869.73

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

NOTES TO ACCOUNTS for the year ended 31 March 2022

6 Retained Earnings

	<u>2021-2022</u>	
	<u>(USD)</u>	<u>(Equ:MMK)</u>
Balance at beginning of the year	21,838.79	38,794,637.68
Excess Of Expenditure Over Income	(30,964.52)	(55,005,682.97)
Balance at end of the year	(9,125.73)	(16,211,045.30)

7 Other Payables

	<u>2021-2022</u>	
	<u>(USD)</u>	<u>(Equ:MMK)</u>
Deferred revenue		
Associate membership dues	6,750.00	11,990,762.25
Corporate membership dues	59,495.02	105,687,548.48
Corporate partner	77,957.85	138,485,099.07
	144,202.86	256,163,409.80

8 Accrued Expenses

	<u>2021-2022</u>	
	<u>(USD)</u>	<u>(Equ:MMK)</u>
Professional fee-Audit and Tax Clearance (FY 20-21)	3,955.00	7,025,701.55
Professional fee-Consulting & Accounting	2,295.00	4,076,860.95
Office Expenses	760.50	1,350,959.81
	7,010.50	12,453,522.31

9 Income

	<u>2021-2022</u>	
	<u>(USD)</u>	<u>(Equ:MMK)</u>
Associate membership dues	5,200.00	9,237,332.00
Corporate membership dues	35,862.61	63,706,699.03
Corporate partner	51,619.27	91,696,987.42
E-blasts income	630.00	1,119,138.30
Other Income	396.68	704,666.32
Social/Networking Events	8,583.44	15,247,708.65
	102,292.00	181,712,531.72

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

NOTES TO ACCOUNTS for the year ended 31 March 2022

10 Travel

	2021-2022	
	(USD)	(Equ:MMK)
Travel - National	105.85	188,033.00
	105.85	188,033.00

11 Event Cost

	2021-2022	
	(USD)	(Equ:MMK)
Events - Catering costs	7,015.41	12,462,244.48
Events - Venue costs	2,776.23	4,931,722.73
Events-Other costs	550.01	977,043.26
	10,341.65	18,371,010.48

12 Administrative Expenses

	2021-2022	
	(USD)	(Equ:MMK)
Bank Fees	1,481.62	2,631,964.58
Cash Difference Expenses	1,138.16	2,021,838.81
Depreciation	473.09	840,401.81
Equipment and IT	4,769.54	8,472,658.55
General Expenses	589.02	1,046,341.02
Glueup - IT charges	2,019.48	3,587,424.47
Insurance	3,000.00	5,329,230.00
Loss/ Profit on Disposal	1,561.73	2,774,272.79
Marketing	533.86	948,354.24
Meeting Expenses	331.01	588,009.47
Motor Vehicle Expenses	5,694.82	10,116,335.20
Office Expenses	13,203.97	23,455,664.35
Printing & Stationery	973.69	1,729,672.65
Refurbishment expenses	8,269.00	14,689,134.29
Staff Allowances	600.92	1,067,480.30
Telephone & Internet	130.74	232,247.84
	44,770.65	79,531,030.37

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

NOTES TO ACCOUNTS for the year ended 31 March 2022

13 Different on Foreign Exchange

	<i>2021-2022</i>	
	<i>(USD)</i>	<i>(Equ:MMK)</i>
Bank Revaluations	(562.88)	(999,905.66)
Realised Currency Gains/Loss	317.21	563,495.02
Unrealised Currency Gains/loss	(2.46)	(4,369.97)
	(248.13)	(440,780.61)

14 Professional Fees

	<i>2021-2022</i>	
	<i>(USD)</i>	<i>(Equ:MMK)</i>
Audit and Tax Clearances	2,025.00	3,597,230.25
Consulting & Accounting	7,421.50	13,183,626.82
	9,446.50	16,780,857.07

THE AMERICAN CHAMBER OF COMMERCE IN MYANMAR INCORPORATED

SCHEDULE TO ACCOUNTS for the year ended 31 March 2022

Schedule -01 : Property, Plant and Equipment

USD

Particular	Cost				Accumulated Depreciation				Book Value
	Opening	Additions	Disposal	Closing	Opening	Depreciation	Disposal	Closing	
Computer & IT Equipment	9,007.71	-	5,180.00	3,827.71	3,850.21	293.90	2,684.79	1,459.32	2,368.39
Furniture & Fixtures	1,874.00	-	1,874.00	-	687.13	156.17	843.3	-	-
Office Equipment	1,850.57	-	744.93	1,105.64	1,621.69	23.02	539.07	1,105.64	-
	12,732.28	-	7,798.93	4,933.35	6,159.03	473.09	4,067.16	2,564.96	2,368.39

END OF REPORT