

# CARD Myanmar COMPANY LIMITED

**FINANCIAL STATEMENT  
&  
AUDIT REPORT**

(April' 2017 to March' 2018)

# CARD Myanmar COMPANY LIMITED

## *FINANCIAL STATEMENT*

- ❖ STATEMENT OF DIRECTORS
- ❖ REPORT OF AUDITORS
- ❖ STATEMENT OF FINANCIAL POSITION as at year end
- ❖ PROFIT AND LOSS STATEMENT 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 for the year ended

Period..... From April 1<sup>st</sup> 2017 to March 31<sup>st</sup> 2018

**STATEMENT BY DIRECTORS**  
**OF**  
**CARD Myanmar COMPANY LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2018**

We, being the Directors of “**CARD Myanmar COMPANY LIMITED**”, 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 Act (“the Act”) and Myanmar Financial Reporting Standards (MFRS) so as to give a true and fair view of the financial position of the Company as at 31 March 2018 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 Profit or loss were signed by us as authentication.

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

On behalf of the Board of Directors

  
MS. JEAN PAULINE B. LANDIC  
CHAIRMAN OF THE BOARD  
CARD MYANMAR CO., LTD.

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**AUDITORS' REPORT TO THE MEMBERS**

**OF**

**CARD Myanmar COMPANY LIMITED**

**FOR THE YEAR ENDED 1 APRIL 2017 TO 31 MARCH 2018**



We have audited the financial statements of **CARD Myanmar COMPANY LIMITED** (“the **Company**”), which comprises the statement of financial position of the Company as at 31 March 2018, and the statement of Profit or loss, 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.

**Management’s responsibility 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 Act (“the Act”) and Myanmar Financial Reporting Standards (“MFRS”), 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.

**Auditors’ responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2018 and the results, changes in equity and statement of cash flows of the Company for the year then ended in accordance with the provisions of Myanmar Companies Act (“the Act”) and Myanmar Financial Reporting Standards (“MFRS”).

## **Report on Myanmar Companies Act requirements**

Further to our above opinion we report as follows:

- (a) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of Section 130 of the Act.
- (b) in accordance with the provisions of Section 145 (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 Act.
- (c) the Statement of Financial Position and the Statement of Profit or Loss signed by the Directors as authentication.

**Kyaw Khine Lin**

**Managing Partner**

**YANGON PROFESSIONAL COMPANY LIMITED**

**Certified Public Accountants**



**CARD Myanmar COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION as at 31<sup>st</sup> March 2018**

	Note	2017-2018	2016-2017
		MMK	MMK
<b>1 ASSETS</b>			
<b>1.1 NON-CURRENT ASSETS</b>			
Property, plant and equipment	Sch-1	14,210,922	4,839,694
<b>Total Non-Current Assets</b>		<b>14,210,922</b>	<b>4,839,694</b>
<b>1.2 CURRENT ASSETS</b>			
Business Loan Portfolio	4	1,431,427,166	644,753,128
Receivable and Others	5	42,379,544	73,943,554
Cash and Cash equivalents	6	239,440,262	941,602,055
<b>Total Current Assets</b>		<b>1,713,246,972</b>	<b>1,660,298,737</b>
<b>TOTAL ASSETS</b>		<b>1,727,457,894</b>	<b>1,665,138,432</b>
<b>EQUITY AND LIABILITIES</b>			
<b>2 SHAREHOLDERS' EQUITY</b>			
Paid Up Capital		644,534,841	224,550,000
Grant Capital		31,814,138	419,984,841
Retained Earnings	7	(44,783,840)	(55,962,253)
<b>Total Equity</b>		<b>631,565,139</b>	<b>588,572,588</b>
<b>3 LIABILITIES</b>			
<b>3.1 CURRENT LIABILITIES</b>			
Customer Saving Interest		252,465,101	186,498,030
Payables and Others	8	134,002,654	180,642,814
		<b>386,467,755</b>	<b>367,140,843</b>
<b>3.2 LONG-TERM LIABILITIES</b>			
Long-term Loan		709,425,000	709,425,000
		<b>709,425,000</b>	<b>709,425,000</b>
<b>Total Liabilities</b>		<b>1,095,892,755</b>	<b>1,076,565,843</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,727,457,894</b>	<b>1,665,138,432</b>

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

On behalf of the Board of Directors

**CARD Myanmar COMPANY LIMITED**

**STATEMENT OF PROFIT (OR) LOSS for the year ended 31<sup>st</sup> March 2018**

Sr No.		Note	2017-2018	2016-2017
			MMK	MMK
1	REVENUE	9	368,918,926	134,242,984
2	DIRECT OPERATING EXPENSES	10	(96,906,423)	(28,650,708)
	Gross Profit		272,012,503	105,592,276
3	EXPENSES	-	-	-
	Administrative & General Expenses	11	(252,685,582)	(112,765,334)
	Depreciation Expense	12	(4,364,902)	(2,515,167)
	Profit / (Loss) from Operating		14,962,019	(9,688,225)
4	NON-OPERATING ITEM			
	Other Income		-	-
	Other Expenses		-	-
	Difference on Foreign Exchange		(57,468)	17,721,679
	Profit / (Loss) before Finance Cost		14,904,551	8,033,454
5	FINANCE COST		-	-
	Profit / (Loss) before Taxation		14,904,551	8,033,454
6	TAXATION		(3,726,138)	(2,008,364)
	NET PROFIT / (LOSS) FOR THE YEAR		11,178,413	6,025,091

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

On behalf of the Board of Directors

**CARD Myanmar COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITIES as at 31<sup>st</sup> March 2018**

MMK

	<b>Paid Up Capital</b>	<b>Grant Capital</b>	<b>Accumulated Profit/(Loss)</b>	<b>Total</b>
<b>Balance at 1, April 2017</b>	<b>224,550,000</b>	<b>419,984,841</b>	<b>(55,962,253)</b>	<b>588,572,588</b>
Adjustment-Previous Year	-	-	-	-
Adjustment-Current Year	-	<b>(419,984,841)</b>	-	<b>(419,984,841)</b>
	<b>224,550,000</b>	-	<b>(55,962,253)</b>	<b>168,587,747</b>
Addition/(Adjust)	419,984,841	31,814,138	-	<b>451,798,979</b>
Net Profit / (Loss) for the Period			11,178,413	<b>11,178,413</b>
<b>Balance at 31, March 2018</b>	<b>644,534,841</b>	<b>31,814,138</b>	<b>(44,783,840)</b>	<b>631,565,139</b>

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

On behalf of the Board of Directors



**CARD Myanmar COMPANY LIMITED****STATEMENT OF CASH FLOWS as at 31<sup>st</sup> March 2018**

	<u>MMK</u>
<b><u>Cash Flow from Operating Activities</u></b>	
Profit Before Tax	11,178,413
Adjustment for;	
Depreciation and Amortization	4,364,902
<b>Operating Cash flow before Working Capital Changes</b>	<b>15,543,315</b>
Changes in Operating Assets and Liabilities	
(Increased) / Decreased Business Loan Portfolio	(786,674,038)
(Increased) / Decreased Receivable & Other	31,564,010
Increased / (Decreased) in Customer Saving Interest	65,967,071
Increased / (Decreased) in Payables and Others	(46,640,159)
<b>Cash Generated from Operation</b>	<b>(720,239,801)</b>
Advanced Income Tax (WT) Paid for 2017-18	(2,628,735)
<b>Net Cash From/ (Used in) Operating Activities</b>	<b>(404,934,092)</b>
<b><u>Cash Flow from Investing Activities</u></b>	
Purchased of Fixed Assets	(13,736,130)
<b>Net Cash From/ (Used in) Investing Activities</b>	<b>(13,736,130)</b>
<b><u>Cash Flow from Financing Activities</u></b>	
Increase / (Decrease) of Grant Capital	31,814,138
<b>Net Cash From/ (Used in) Financing Activities</b>	<b>31,814,138</b>
<b>Net Increased/(Decreased) in Cash Held</b>	<b>(702,161,793)</b>
<b>Cash and Cash equivalents at Beginning of Period</b>	<b>941,602,055</b>
<b>Cash and Cash equivalents at End of Period</b>	<b>239,440,262</b>

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

On behalf of the Board of Directors

## **CARD Myanmar COMPANY LIMITED**

### **NOTES TO ACCOUNTS for the year ended 31<sup>st</sup> March 2018**

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**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**

**CARD Myanmar COMPANY LIMITED** is domiciled and incorporated in the Republic of the Union of Myanmar with its registered office at No. 363, Bo Min Yaung Street, (2) Block, Mingalardon Township, Yangon, Myanmar.

The principal activities of the company consist of Microfinance.

#### **2 Basis of preparation**

##### **2.1 Statement of compliance**

The financial statements have been prepared in compliance with the provisions of Myanmar Companies Act ("the Act") and the applicable standards of Myanmar Financial Reporting Standards (MFRS).

##### **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 Myanmar Financial Reporting Standards (MFRS) 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.

**CARD Myanmar COMPANY LIMITED**

**NOTES TO ACCOUNTS for the year ended 31<sup>st</sup> March 2018**

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

**3 Summary of Significant Accounting Policies**

**3.1 Property, plant and equipment**

Tangible Assets are stated at cost less depreciation. Rate of depreciation are shown in Schedule-1.

No Revaluation was made in the accounts.

**4 Business Loan Portfolio**

	<u>2017-2018</u>
	<i>(MMK)</i>
Regular Business Loan	1,445,886,026
Less: Allowance for Probable Loss	(14,458,860)
	<u>1,431,427,166</u>

**5 Receivable and Others**

	<u>2017-2018</u>
	<i>(MMK)</i>
Office Rental Cost	1,445,886,026
Other Receivable	18,045
Supplies Inventory	2,282,000
	<u>42,379,544</u>

**6 Cash and cash equivalents**

	<u>2017-2018</u>
	<i>(MMK)</i>
Cash at Bank	239,184,397
Cash in Hand	255,865
	<u>239,440,262</u>

**CARD Myanmar COMPANY LIMITED**

**NOTES TO ACCOUNTS for the year ended 31<sup>st</sup> March 2018**

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**7 Retained earnings**

	<u>2017-2018</u>
	<i>(MMK)</i>
Balance at beginning of the year	(55,962,253.07)
Net profit / (Loss) for the year	11,178,412.99
Balance at end of the year	<u>(44,783,840)</u>

**8 Payables and Others**

	<u>2017-2018</u>
	<i>(MMK)</i>
Accounts Payable-Others	92,018,554
Accrued Expense	41,984,100
	<u>134,002,654</u>

**9 Revenue**

	<u>2017-2018</u>
	<i>(MMK)</i>
Regular Business Loan	284,109,177
Income from other finance related services	84,809,749
	<u>368,918,926</u>

**10 Direct Operating Expenses**

	<u>2017-2018</u>
	<i>(MMK)</i>
Interest on Borrowing	77,115,004
Interest on Savings	11,845,216
Loan Loss Provisions	7,946,202
	<u>96,906,423</u>

**CARD Myanmar COMPANY LIMITED**

**NOTES TO ACCOUNTS for the year ended 31<sup>st</sup> March 2018**

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**11 Administrative & General Expenses**

	<u>2017-2018</u> <u>(MMK)</u>
Salaries and Wages	85,750,601
Employee Benefits	18,251,566
Stationery and Supplies	15,082,360
Printing and Forms	983,500
Office Equipment & Accssories	322,500
Transportation and Travel	59,218,591
Repair and Maintenance	3,684,200
Utilities	2,201,195
Communication and Postage	1,248,650
Business Meals and Entertainment	423,651
Office Rental	53,688,150
Incorporate & Licenses	2,415,035
Employee Training-Work Related	5,534,775
Professional Services	3,392,761
Miscellaneous Expenses	488,047
	<u>252,685,582</u>

**12 Depreciation Expenses**

	<u>2017-2018</u> <u>(MMK)</u>
Depreciation Expense-Furniture and Fixtures	2,580,883
Depreciation Expense-Office Equipment	437,000
Depreciation Expense-Office Computer	1,347,019
	<u>4,364,902</u>

**CARD Myanmar COMPANY LIMITED**

**SCHEDULES TO ACCOUNT for the year ended 31<sup>st</sup> March 2018**

**Schedule - 01 : Property, Plant and Equipment**

Particular	%	Cost			Accumulated Depreciation			Book Value
		Opening	Additions	Closing	Opening	Depreciation	Closing	
<b><u>Production</u></b>								
Furnitures & Fixtures	33.33%	6,456,000	3,099,000	9,555,000	2,727,056	2,580,883	5,307,939	4,247,061
Office Equipment	33.33%	818,000	718,000	1,536,000	243,750	437,000	680,750	855,250
Office Computers	33.33%	1,389,000	9,919,130	11,308,130	852,500	1,347,019	2,199,519	9,108,611
		<b>8,663,000</b>	<b>13,736,130</b>	<b>22,399,130</b>	<b>3,823,306</b>	<b>4,364,902</b>	<b>8,188,208</b>	<b>14,210,922</b>

**END OF REPORT**