

**CONNECTING MYANMAR LIMITED**

**REPORT OF THE DIRECTORS  
AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2020**

**智傑會計師事務所**

**ELITE & CO.,  
CERTIFIED PUBLIC ACCOUNTANTS  
HONG KONG**



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# CONNECTING MYANMAR LIMITED

## Report and financial statements

Year ended 30 June 2020

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# CONNECTING MYANMAR LIMITED

## Report of the Directors

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The directors have pleasure in submitting the report and audited financial statements of Connecting Myanmar Limited (the "Organisation") for the year ended 30 June 2020.

### Principal activities

The principal activities of the Organisation are the relief of poverty and distress with specific focus in Myanmar and its neighbouring countries.

### Results

The results of the Organisation for the year ended 30 June 2020 are set out in the income statement on page 5.

### Directors

The directors who held office during the year and up to the date of this report were:

Chen Peipei  
Ip Lee Kwan  
Tsui Oi Yin

In accordance with article 21 of the Organisation's Articles of Association, all existing directors shall retire from the Board and, being eligible, offer themselves for re-election.

### Management contract

No contracts concerning the management and administration of the whole or any substantial part of business of the Organisation were entered into or existed during the year.

### Charitable Donations

Charitable donations made by the Organisation during the year are set out in the note 3 to the financial statements.

### Business review

The Organisation falls within reporting exemption for the year ended 30 June 2020. Accordingly, the Organisation is exempted from preparing a business review.

### Auditor

A resolution will be submitted to the Annual General Meeting to re-appoint Elite & Co., *Certified Public Accountants* as the auditor of the Organisation.

*On behalf of the Board*



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Ip Lee Kwan  
*Director*  
Hong Kong, 28 March 2021

**Independent Auditor's Report**

To the members of  
**CONNECTING MYANMAR LIMITED**  
*(incorporated in Hong Kong with liability limited by guarantee)*

**Opinion**

We have audited the financial statements of CONNECTING MYANMAR LIMITED (the "Organisation") set out on pages 5 to 9, which comprise the statement of financial position as at 30 June 2020 and the income statement for the year ended 30 June 2020 then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements of the Organisation for the year ended 30 June 2020 are prepared, in all material respects, in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with Hong Kong Companies Ordinance.

**Basis for opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" issued by the HKICPA. 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 Organisation in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the financial statements and auditor's report thereon**

The directors are responsible for the other information. The other information comprises all the information included in the report of the directors.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Independent Auditor's Report**

To the members of  
**CONNECTING MYANMAR LIMITED**  
*(incorporated in Hong Kong with liability limited by guarantee)*

**Responsibilities of the directors and those charged with governance for the financial statements**

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors 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, the directors are responsible for assessing the Organisation'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 the directors either intends to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

**Auditor's 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 that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism 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, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### Independent Auditor's Report

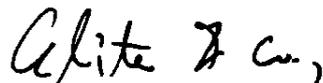
To the members of

#### **CONNECTING MYANMAR LIMITED**

*(incorporated in Hong Kong with liability limited by guarantee)*

- Conclude on the appropriateness of the directors' 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 Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify 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 Organisation to cease to continue as a going concern.

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 that we identify during our audit.



Elite & Co.,  
Certified Public Accountants  
Hong Kong, 28 March 2021

**CONNECTING MYANMAR LIMITED****Income Statement**Year ended 30 June 2020

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		Year ended 30 June 2020	Year ended 30 June 2019
	<i>Note</i>	<i>HK\$</i>	<i>HK\$</i>
<b>REVENUE</b>	2	202,709	725,259
<b>Other income</b>	2	48	784
<b>Expenditure</b>			
Programme, administrative and other expenses		<u>(447,792)</u>	<u>(358,278)</u>
<b>(Deficit)/Surplus before tax</b>	3	<b>(245,035)</b>	<b>367,765</b>
Taxation	4	<u>-</u>	<u>-</u>
<b>(Deficit)/Surplus for the year</b>		<b><u>(245,035)</u></b>	<b><u>367,765</u></b>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

# CONNECTING MYANMAR LIMITED

## Statement of Financial Position

At 30 June 2020

	<i>Note</i>	<b>2020</b> <i>HK\$</i>	<b>2019</b> <i>HK\$</i>
<b>Current assets</b>			
Accounts receivable and other receivables		<b>28,341</b>	3,500
Cash and bank balances		<b>171,857</b>	444,930
		<b>200,198</b>	<b>448,430</b>
<b>Current liabilities</b>			
Other payables and accruals		<b>71,340</b>	74,537
<b>NET ASSETS</b>		<b>128,858</b>	<b>373,893</b>
<b>FUND BALANCES</b>			
General fund	5	<b>128,858</b>	344,813
Designated fund	5	-	29,080
Total fund balances		<b>128,858</b>	<b>373,893</b>

Approved and authorised for issue by the Board on 28 March 2021 and are signed by the following directors:



Tsui Oi Yin  
Director



Ip Lee Kwan  
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**REPORTING ENTITY**

Connecting Myanmar Limited (the "Organisation") is a charitable organisation in Hong Kong with liability limited by guarantee. The Organisation's registered office and principal place of business is located at Room 1612, 16/F, Global Gateway Tower, No 63 Wing Hong Street, Cheung Sha Wan, Kowloon. The principal activities of the Organisation are the relief of poverty and distress with specific focus in Myanmar and its neighbouring countries.

**1. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The Organisation qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS issued by the Hong Kong Institute of Certified Public Accountants and have been prepared under the accrual basis of accounting.

The measurement base adopted by the Organisation is the historical cost accounting convention. Specific accounting policies adopted by the Organisation are set out below.

**Revenue**

Revenue is recognised when it is probable that the economic benefits will flow to the Organisation and when the revenue and costs, if applicable, can be measured reliably and on the following bases.

Donations are recognised when the right to receive payment is established; and

Interest income from financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Foreign currencies**

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong dollars using exchange rates applicable at the end of reporting period. Gains and losses on foreign exchange are recognised in the income statement.

**Taxation**

Income tax expense represents current tax expense. The income tax payable represents the amount expected to be paid to the taxation authority, using tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

# CONNECTING MYANMAR LIMITED

## Notes to the Financial Statements

Year ended 30 June 2020

### 2. REVENUE AND OTHER INCOME

Revenue is recognised by category as follows:

<u>Year ended 30 June 2020</u>	General fund <i>HK\$</i>	Designated fund <i>HK\$</i>	Total <i>HK\$</i>
<b>Revenue</b>			
Funds raised and donations	157,709	-	157,709
Artwork sales	45,000	-	45,000
	<u>202,709</u>	<u>-</u>	<u>202,709</u>
<b>Other income</b>			
Interest income	48	-	48
	<u>202,757</u>	<u>-</u>	<u>202,757</u>
<u>Year ended 30 June 2019</u>	General fund <i>HK\$</i>	Designated fund <i>HK\$</i>	Total <i>HK\$</i>
<b>Revenue</b>			
Funds raised and donations	96,192	17,305	113,497
Artwork sales	611,762	-	611,762
	<u>707,954</u>	<u>17,305</u>	<u>725,259</u>
<b>Other income</b>			
Interest income	184	-	184
Miscellaneous income	600	-	600
	<u>784</u>	<u>-</u>	<u>784</u>
	<u>708,738</u>	<u>17,305</u>	<u>726,043</u>

### 3. (DEFICIT)/SURPLUS BEFORE TAX

After charging:

	Year ended 30 June 2020 <i>HK\$</i>	Year ended 30 June 2019 <i>HK\$</i>
a) Staff costs		
Emoluments to directors (disclosed pursuant to 383(1) of the Hong Kong Companies Ordinance (Cap. 622)):		
- Fees	-	-
- Other emoluments	-	-
- Contributions to defined contribution retirement plan	-	-
	<u>-</u>	<u>-</u>
Other key management personnel's remunerations	-	-
Other staff and employees		
- Salaries and other benefits	-	-
- Contributions to defined contribution retirement plan	-	-
Total staff costs	<u>-</u>	<u>-</u>

## Notes to the Financial Statements

Year ended 30 June 2020

## 3. (DEFICIT)/SURPLUS BEFORE TAX (Continued)

After charging:

	Year ended 30 June 2020 HK\$	Year ended 30 June 2019 HK\$
b) Other items		
Cost of Artwork	15,392	-
Expenditure for designated fund	29,080	5,842
Fundraising programme	-	85,000
Other donations	36,000	49,152
Scholarship Disbursement	371,061	199,929
Summer programme	1,660	7,791

**Directors' material interests in transactions, arrangements or contracts**

No contracts of significance to which the Organisation was a party and in which a director of the Organisation had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

At no time during the period was the Organisation a party to any arrangements to enable the director of the Organisation to acquire benefits by means of the acquisition of debentures of the Organisation or any other body corporate.

## 4. TAXATION

Hong Kong profits tax is provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits for the year.

## 5. CHANGES IN EQUITY

	General fund HK\$	Designated fund HK\$	Total HK\$
At beginning of period	344,813	29,080	373,893
Deficit for the year	(232,035)	(13,000)	(245,035)
Transfer from designated fund to general fund	16,080	(16,080)	-
<b>At end of the reporting period</b>	<b>128,858</b>	<b>-</b>	<b>128,858</b>