

**R. YASSA & CO.**  
**(NAWAR & CO.)**

**CHARTERED ACCOUNTANTS**  
**KINGDOM OF BAHRAIN**

**رأفت يسي وشركاه**

**(نوار وشركاه)**

**محاسبون قانونيون**  
**مملكة البحرين**

**EVOLUTIONARY SYSTEMS BAHRAIN S.P.C**  
**KINGDOM OF BAHRAIN**  
**FINANCIAL STATEMENTS FOR THE**  
**PERIOD ENDED MARCH 31, 2020**

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**EVOLUTIONARY SYSTEMS BAHRAIN S.P.C.**

**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

**EVOLUTIONARY SYSTEMS BAHRAIN S.P.C.**

Activities	: Computer programming, computer consultancy and computer facilities management.
Commercial Registration Number	: 91774 - 01
Owner	: M/s. Evolutionary Systems Arabia FZ L.L.C
Authorized Signatories	: Mr. Ummed Singh Nahata Mr. Manish Nahata
Office	: Flat No. 86, Bldg No. 322 Road No. 1910, Block No. 319 Manama Tel.No. 17589953 Fax.No. 17589953
Bank	: Citibank
Auditors	: R. Yassa & Co. [Nawar & Co.] Chartered Accountants P.O.Box 1008 Kingdom of Bahrain

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**EVOLUTIONARY SYSTEMS BAHRAIN S.P.C.**

**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

<b><u>TABLE OF CONTENTS</u></b>	<b><u>PAGE</u></b>
Report of the Director	
Independent Auditors' Report	4-3
<b>Financial Statements :</b>	
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9- 13

## **Report of the Board of Directors**

The Board of Directors presents its report and audited financial statements of the company for the year ended 31<sup>st</sup> March 2020.

### **Incorporation**

**EVOLUTIONARY SYSTEMS BAHRAIN SPC** a company with limited liability, is registered with the Ministry of Industry and Commerce under Commercial Registration Number 91774 -1 dated 25<sup>th</sup> Nov 2014. Its registered office address is Building \_Flat No 86, Bldg No 322 Road NO 1910 Block No 319, Manama, Kingdom of Bahrain.

### **Principal activities**

The company is engaged in the business of Consultant for Computer hardware and software.

### **Review of current position, future developments and significant risks**

The company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

The most significant risks faced by the company and the steps taken to manage these risks are described in Note No. **11** of the financial statements.

### **Financial performance**

The company's financial performance for the year is set out on Page No. 5.

### **Share capital**

The share capital of the company is BD. 50,000 consists of 500 shares of BD. 100 /- each fully paid.

### **Events after reporting period**

There were no material events after the reporting year, which have a bearing on the understanding of the financial statement.



**INDEPENDENT AUDITORS' REPORT TO**

**The Owner**

**Evolutionary Systems Bahrain S.P.C.**

We have audited the accompanying Statement of Financial Position of **EVOLUTIONARY SYSTEMS BAHRAIN S.P.C.** as at 31 March 2020, and the related Statements of Comprehensive Income, Changes in Equity and Cash Flows for the period then ended and a summary of significant accounting policies and other explanatory notes set out on pages 5 to 13.

**Management's Responsibility for the Financial Statements**

The management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Evolutionary Systems Bahrain S.P.C., as at 31 March 2020, and of the results of its operations and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

**Report on Anti-Money Laundering and Terrorism Financing Requirements**

We have examined the internal control systems of the company as well as policies and procedures relevant to detecting and reporting of suspicious transactions, in addition to systems and procedures relevant for client identification.

To the best of our knowledge and belief we report that:

1. The company maintains proper internal control systems and procedures sufficient of monitoring and reporting of suspicious or unusual transactions;
2. The company holds sufficient measures and internal procedures relevant to verifying the identity of its customers;
3. The company reported all suspicious or unusual transactions, if any, conducted during the financial period ended 31<sup>st</sup> March 2020 and

**INDEPENDENT AUDITORS' REPORT TO ----- CONT.**

4. As at the financial period ended 31 March 2020, we are not aware of any violations to the Ministerial Order No.173 of 2017 with respect to the Obligations related to the Procedures on the Prohibition of and Combating Money Laundering and Terrorism Finance in the Business of the Persons Registered in the Commercial Register and the Audit Registry in the Kingdom of Bahrain, or Ministerial Order No. (64) of 2017 if it's a law firm, or foreign consultancy office Ministerial Order (65) of 2012 for NPOs etc.

**Report on Other Legal and Regulatory Requirements**

We report that:

As required by the Bahrain Commercial Companies Law and the Ministerial order (19) of 2018 regarding the issuance of Corporate Governance Code:

1. The company has maintained proper accounting records and the financial statements are in agreement therewith;
2. We have obtained all the information we considered necessary for the purpose of our audit;
3. The financial information contained in the Report of the Board of Director is consistent with the financial statements;
4. Nothing has come to our attention which causes us to believe that the company has, during the period, breached any of the applicable provisions of the Commercial Companies Law, or the items of its Articles of Association that would have a material adverse effect on its business or its financial position;
5. The company is in compliance with the Corporate Governance regulatory requirements; and
6. Satisfactory explanations and information have been provided to us by the management in response to all our requests.

October 14, 2020  
Kingdom of Bahrain



R. YASSA & CO.  
Chartered Accountants

*Raafat F. YASSA*

RAAFAT F. YASSA  
(Registration No. 17)

**EVOLUTIONARY SYSTEMS BAHRAIN S.P.C.**  
**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020**  
[In Bahraini Dinars]

	<u>Notes</u>	
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Accounts Receivable & Prepayments	4b & 5	44,657
Cash and Bank	6	63,636
<b><u>TOTAL CURRENT ASSETS</u></b>		<b><u>108,293</u></b>
<b><u>TOTAL ASSETS</u></b>		<b><u>108,293</u></b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b><u>EQUITY</u></b>		
Share Capital	3	50,000
Legal Reserve	4d	7,482
Retained Earnings		38,987
<b><u>TOTAL EQUITY</u></b>		<b><u>96,469</u></b>
<b><u>CURRENT LIABILITIES</u></b>		
Payables & Accruals	7	2,839
Related Party Payables	8	8,985
<b><u>TOTAL CURRENT LIABILITIES</u></b>		<b><u>11,824</u></b>
<b><u>TOTAL EQUITY AND LIABILITIES</u></b>		<b><u>108,293</u></b>

[The accompanying notes form an integral part of these financial statements]

[These financial statements were authorized for issue by the director on October 14,2020]

**UMMED SINGH NAHATA**  
(Authorized Signatory)

**MANISH NAHATA**  
(Authorized Signatory)



**EVOLUTIONARY SYSTEMS BAHRAIN S.P.C.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

[In Bahraini Dinars]

	<u>Notes</u>	<u>[1 Month]</u>
<b><u>INCOME</u></b>		
Income from Operation	4e	5,769
Less : Cost of Operation	9	<u>(5,798)</u>
GROSS INCOME		(29)
<b><u>TOTAL INCOME</u></b>		<b><u>(29)</u></b>
<b><u>LESS : EXPENSES</u></b>		
Administrative & General	10	<u>2,160</u>
<b><u>TOTAL EXPENSES</u></b>		<b><u>2,160</u></b>
<b><u>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</u></b>		<b><u>(2,189)</u></b>

[The accompanying notes form an integral part of these financial statements]

[These financial statements were authorized for issue by the director on 13<sup>th</sup> October 2020]

**UMMED SINGH NAHATA**  
**(Authorized Signatory)**

**MANISH NAHATA**  
**(Authorized Signatory)**

**EVOLUTIONARY SYSTEMS BAHRAIN S.P.C.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2020**  
[In Bahraini Dinars]

	<u>SHARE CAPITAL</u>	<u>LEGAL RESERVE</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
<b>BALANCE AS AT 01.03.2020</b>	<b>50,000</b>	<b>7,482</b>	<b>41,176</b>	<b>98,658</b>
Comprehensive (Loss) for the month	----	----	<u>(2,189)</u>	<u>(2,189)</u>
<b><u>BALANCE AS AT 31.03.2020</u></b>	<b><u>50,000</u></b>	<b><u>7,482</u></b>	<b><u>38,987</u></b>	<b><u>96,469</u></b>

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[The accompanying notes form an integral part of these financial statements]

[These financial statements were authorized for issue by the director on October 14<sup>th</sup> 2020]

**UMMED SINGH NAHATA**  
(Authorized Signatory)

**MANISH NAHATA**  
(Authorized Signatory)

**EVOLUTIONARY SYSTEMS BAHRAIN S.P.C.**  
**STATEMENT OF CASH FLOWS FOR**  
**THE PERIOD ENDED MARCH 31, 2020**

[In Bahraini Dinars]

**OPERATING ACTIVITIES**

Comprehensive (Loss) for the period (2,189)

**CHANGES IN OPERATING ASSETS & LIABILITIES**

Accounts Receivable & Prepayments 12,162

Payable & Accruals 33

Related Party Payables (45,000)

**NET CASH FLOW FROM OPERATING ACTIVITIES** (34,994)

**INVESTING ACTIVITIES**

**NET CASH FLOW FROM INVESTING ACTIVITIES** NIL

**FINANCING ACTIVITIES**

**NET CASH FLOW FROM FINANCING ACTIVITIES** NIL

**NET (DECREASE) IN CASH AND CASH EQUIVALENTS** (34,994)

Cash and Cash Equivalents as at Opening 98,630

**CASH AND CASH EQUIVALENTS AS AT CLOSING** 63,636

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[The accompanying notes form an integral part of these financial statements]

[These financial statements were authorized for issue by the director on 14<sup>th</sup> October 2020]

**UMMED SINGH NAHATA**  
**(Authorized Signatory)**

**MANISH NAHATA**  
**(Authorized Signatory)**

**EVOLUTIONARY SYSTEMS BAHRAIN S.P.C.**  
**NOTES TO THE FINANCIAL STATEMENTS 2020**

**1. STATUS & REGISTRATION**

Evolutionary Systems Bahrain S.P.C, Single Person Company, is registered with the Ministry of Industry & Commerce in the Kingdom of Bahrain under C.R. Number 91774 – 01 dated 25.11.2014.

**2. ACTIVITY**

The company is engaged in computer programming, computer consultancy and computer facilities management.

**3. SHARE CAPITAL**

The share capital of the company is BD. 50,000/- consists of 500 shares of BD. 100/- each, owned by M/s. Evolutionary Systems Arabia FZ L.L.C, and its liability is limited to the capital of the company.

**4. SIGNIFICANT ACCOUNTING POLICIES**

**a. Accounting Convention**

- i. The financial year of the company commences on 1<sup>st</sup> April and ends on 31<sup>st</sup> March.
- ii. These financial statements cover a period of 1 month from 1<sup>st</sup> March 2020 to 31<sup>st</sup> March 2020
- iii. The financial statements have been drawn up from the accounting records of the business under the historical cost convention in compliance with International Accounting Standards and accordingly follow the fundamental accounting assumptions of going concern, consistency and accrual system with some modifications.
- iv. The financial statements of the company have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable to companies reporting either new standards and interpretations or amendments not yet adopted.

**b. Accounts Receivables**

Receivables are stated at net realizable value. A provision has not been created for bad and doubtful debts as per the management.

*Evolutionary Systems Bahrain S.P.C.*  
*Notes to the financial statements 2020*

**c. Staff Benefits Provision**

The company's liabilities in respect of employees leave salary, indemnity and air passage are arising under the Bahrain Labour Law and the company's rules. However such benefits are paid on cash basis as and when it required.

**d. Legal Reserve**

In accordance with the Bahrain Commercial Companies Law and the Companies Articles of Association 10% of the net profit for the year is required to be transferred to the legal reserve until reaches 50% of the share capital.

**e. Recognition of Income**

Income is recognized when the service is completed, an invoice is prepared and the customer becomes entitled to pay such amount.

**f. Cash and Cash Equivalents**

Cash and cash equivalents in the statement of cash flows consists of cash at bank.

**g. Foreign Currency Transactions**

Are translated into Bahraini Dinars at the market rates prevailing at the Balance Sheet date, transactions during the year are translated at the rate of exchange ruling at that time.

**h. Related Party Transactions**

Represents the amount of transactions between related parties. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions such as owner, shareholder, director and key management persons of the company.

**R. YASSA & CO.**  
**(NAWAR & CO.)**

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KINGDOM OF BAHRAIN

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مملكة البحرين

*Evolutionary Systems Bahrain S.P.C.*  
*Notes to the financial statements 2020*

	<b><u>BD</u></b>
<b>5. <u>ACCOUNTS RECEIVABLE &amp; PREPAYMENTS</u></b>	
Trade Debtors	42,157
Tender Guarantee Deposit	<u>2,500</u>
	<b><u>44,657</u></b>
<b>6. <u>CASH AND BANK</u></b>	
Cash at Bank	63,636
	<b><u>63,636</u></b>
<b>7. <u>PAYABLES &amp; ACCRUALS</u></b>	
Payables	<u>2,839</u>
	<b><u>2,839</u></b>
<b>8. <u>RELATED PARTY PAYABLES</u></b>	
M/s. Evolutionary Systems Arabia FZLLC	<b><u>8,985</u></b>
Represents the amount of transactions carried out in the ordinary course of doing business at an arm's length basis. It does not carry any interest or fixed term of repayment.	
<b>9. <u>COST OF OPERATION</u></b>	
Salary	5,768
Consultancy Expenses	<u>30</u>
	<b><u>5,798</u></b>

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*Notes to the financial statements 2020*

**BD**

**10. ADMINISTRATIVE & GENERAL EXPENSES**

Rent	950
Immigration & VISA	302
Legal & Professional	809
Finance Cost	99
	<b><u>2,160</u></b>

**11. CONTINGENT LIABILITIES**

As at March 31, 2020 the company's activities were considered as normal in the ordinary course of doing business.

**12. OPENING & COMPARATIVE FIGURES**

Opening figures have been taken from the audited financial statements. Comparative figures have not been presented since these are only for monthly review.

*Evolutionary Systems Bahrain S.P.C.*  
*Notes to the financial statements 2020*

### **13. FINANCIAL INSTRUMENTS & MANAGEMENT OF RISK**

Financial assets of the company consists of bank balances and receivable.  
Financial liabilities consists of payables and accrued liabilities.

#### **Credit Risk**

The company is exposed to credit risk on its cash at bank and receivables.

Cash is placed with national banks with good credit ratings. The maximum credit risk on receivables is limited to local customers.

#### **Liquidity Risk**

Also referred to as funding risk, is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity risk may result from an inability to sell a financial asset quickly at close to its value. The liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

#### **Interest Risk**

The assets and liabilities of the company are not sensitive to interest risk, except for the outstanding creditors.

#### **Fair Value of Instruments**

The fair value of the company's financial instruments, assets and liabilities are not materially different from their carrying values.