

**Evolutionary Systems Egypt
Limited Liability Company**

**Financial Statements
And Auditor's Report
For the period Ended 31 March 2020**

**Ashraf Shawky Battah
Certified Accountant**

Evolutionary Systems Egypt “L.L.C”

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Auditor's Report

To: Partners of Evolutionary Systems Egypt "L.L.C"

Report on the Financial Statements

We have audited the accompanying financial statements of *Evolutionary Systems Egypt - limited liability- "THE Company"* which comprise the balance sheet as of **31 March 2020**, related statements of income, comprehensive income statement, cash flows statement and changes in Shareholder's equity for the fiscal period ended and a summary of significant accounting policies and other explanatory notes.

Company's Management Responsibility for the Financial Statements

Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards and with the requirements of applicable Egyptian laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the 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.

Ashraf Shawky Battah
Certified Accountant
Financial & Tax Consultancy



Evolutionary Systems Egypt "L.C"

Balance Sheet at 31 March 2020

(all amounts in EGP) Notes 31 March 2020

Long Term Assets			
Fixed Assets (net)	(3)	139 977	139 977
Total of Long-Term Assets			139 977
Current Assets			
Account Receivables and debtors	(4)	615 741	615 741
Cash and cash equivalents	(5)	565 682	565 682
Total of Current Assets			1 181 423
Total Assets			1 321 400
Owners' Equity			
Paid in capital		5 000	5 000
Legal reserve		2 500	2 500
Retained Earnings		887 894	887 894
Net profit for the period		130 271	130 271
Total of owners' equity			1 025 665
Current Liabilities			
Account Payables and creditors	(6)	295 735	295 735
Total Current Liabilities			295 735
Total owners' equity and liability			1 321 400

The accompanying notes on pages No (7) to page No (10) form an integral part of these financial statements.

Auditor Report issue dated 18th Act 2020 "attached"

Wafaa Tahawi

General Manager



Evolutionary systems Egypt "L.L.C"
Income Statement for the period ended 31 March 2020

(all amounts in EGP)		
Notes		
From 1 March 2020		
to 31 March 2020		
Revenue	515 136	
Activity cost	(385 166)	(7)
Gross Loss/Profit	129 970	
Add/(Less):		
Forex	1 277	
Depreciation of fixed assets	(976)	
Net profit before taxes	130 271	
Income Tax	-	
Net profit after tax	130 271	

The accompanying policies and the notes on page (6) to page (10) form an integral part of these financial statements.

Evolutionary Systems Egypt "L.L.C"
Comprehensive Income Statement for the period ended 31 March 2020

(all amounts in EGP) Notes From 1 Mar 2019 to Mar 2020

Net profit for the period after taxes

130 271

130 271

The accompanying policies and notes on page (6) to page (10) form an integral part of these financial statements.

Evolutionary Systems Egypt "L.L.C"
Statement of Changes in Equity for the period ended 31 March 2020

(all amounts in EGP)

	Capital	Retained Earnings	Legal reserve	Net Profit	Total
the period					

Balance at 31 December 2019	5 000	326 968	2 500	-	334 468
Retained Earnings	-	560 926	-	-	560 926
Net profit for the period	-	-	-	130 271	130 271
Balance at 31 March 2020	5 000	887 894	2 500	130 271	1 025 665

The accompanying policies and notes on page (6) to page (10) form an integral part of these financial statements.

Evolutionary Systems Egypt "L.T.C"
Statement of Cash Flows for the period ended 31 March 2020

(all amounts in EGP)	
	31 Mar 2020
Cash flows from operating activities:	
Net profit for the period	130 271
Adjustments for:	
Depreciation for fixed assets	17 398
	<u>147 669</u>
Changes in working capital:	
Debtors and other prepayments	(615 741)
Creditors and other payables	295 736
Net Cash used in operating activities	(320 005)
Cash flows from investing activities:	
Purchase of property and equipment	-
Net Cash used in investing activities	-
Changes in cash and cash equivalents during the period	(172 337)
Cash and cash equivalents at beginning of the period	738 019
Cash and cash equivalents at the end of the period	<u><u>565 682</u></u>

The accompanying policies and notes on page (6) to page (10) form an integral part of these financial statements.

1. About the company

1/1 Legal Entity and activity

Evolutionary Systems Egypt – limited liability company- was established according to law no 159 for year 1981 and its executive regulations.

1/2 Purpose of the company

The company purpose is the produce and develop programs and applications, and to establish databases, electronic information systems, operate and train on them according to the provisions of laws, regulations and standard decisions and the company should obtain all the necessary licenses to operate.

1/3 Company duration

25 years starting from 1/10/2014 to 30/9/2039

1/4 Company Headquarters

37 Ali Amer street, Makram Abeid, First Nasr City, Cairo.

2. Basis of preparation of financial statement

2/1: Accounting policies

Financial statements have been prepared in accordance with Egyptian Accounting Standards (EAS's) and applicable laws and regulations. During 2015 a modified version of the Egyptian Accounting Standards has been issued that includes some new accounting standards and amendments to certain existing standards that are effective from the beginning of 1 January 2016. Early application of these standards is not allowed.

2/2: Foreign currencies

The financial statements are presented in Egyptian pounds, which is the company's functional and presentation currency.

Computers	25%
Furniture	20%

The fixed asset is depreciated on a straight-line basis at annual rates:
 acquisition of the asset until it is ready to use
 Fixed assets are recorded according to historical cost plus any direct cost related to the

3. Fixed Assets

The fair value of financial assets or liabilities with maturity date less than one year is assumed to approximate their carrying value. The fair value of financial liabilities, for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

2/4 Fair value measurement

The preparation of financial statements in conformity with ESA requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities. The estimates and judgements are based on previous experience. The actual results may differ from those estimates.
 The estimates and assumptions are reviewed regularly.
 The change in an accounting estimate is admitted in the period which the estimate is changed, if the change affects only that period, or the period of change and future periods if the change affects both.

2/3 Usage of estimates and personal judgment

Evolutionary Systems Egypt "L.T.C"
 Note to the Financial Statements – for the period ended 31 March 2020

Note 3: Fixed Assets (Net)

For the period ended 31 March 2020

	Computer	Right to use assets	Furniture and Supplies	Total
Cost at the beginning of the period 2019	144 145	-	49 063	193 208
Additions during the period	-	300 703	-	300 703
Cost at 31 March 2019	144 145	300 703	49 063	493 911
Accumulated depreciation:				
at the beginning of Jan	109 810	177 664	49 062	336 536
of the period	976	16 422	-	17 398
accumulated depreciation at 31 March 2020	110 786	194 086	49 062	353 934
Book value at 31 March 2020	33 359	106 617	1	139 977

Evolutionary Systems Egypt "L.L.C"
Note to the Financial Statements – for the period ended 31 March 2020

	Note 4: Debtors and Prepayments (all amounts in EGP)
	Sundry debtors Insurance – others Prepayments – rent
	Total
	Note 5: Cash and cash equivalents (all amounts in EGP)
	Bank- foreign currency bank (EGP) Cash on hand
	Total
	Note 6: Creditors and other payables (all amounts in EGP)
	Social insurance Provisions Accrued salaries Lease liability
	Total
31 Mar 2020	
515 136	28 000
14 000	58 075
86 605	100 565
615 741	109 095
31 Mar 2020	295 735

Evolutionary Systems Egypt "L.L.C"
 Note to the Financial Statements – for the period ended 31 March 2020

Note 7: General and
 Administrative expenses

31 Mar 2020	
Consultancy exp	(45 000 00)
Leave encashment	71 100 00
Salary exp	326 008
Amortization of Rou asset	16 422
Salaries	4 863 462
Electricity,	185
Computer repair and maintenance	750
Telephone exp	600
Bank charges	387
Legal charges	825
Audit fee	518
Communication	305
Conveyance	(266)
Courier exp	1 180
Employee insurance expts	16 798
Hotel rent	13 204
Income tax	145 747
Interest exp 1 16	378
Interest exp	2 956
Month end	8 298
Medical expts	(114)
Office building maintenance	330
Office maintenance	1 980
Office rent	15 750
Office rent 1 16	(15 750)
Penalty on social insurance	3 374
Si employer share exp	(7 670)
Staff welfare exp	407
Stationary exp	1 705
Travel insurance	2 340
Visa expenses	1 200
Total	385 166