

# **EVOLUTIONARY SYSTEMS BAHRAIN WLL**

Financial Statements

For the year ended 31 March 2022

**EVOLUTIONARY SYSTEMS BAHRAIN WLL**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 March 2022**

In BD

	Note no.	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Accounts and other receivable	4	116,514	78,582
Contract assets		310,525	184,965
Cash and cash equivalents	5	129,755	162,730
<b>Total current assets</b>		<b>556,794</b>	<b>426,277</b>
<b>Total assets</b>		<b>556,794</b>	<b>426,277</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6	50,000	50,000
Legal reserve	7	25,000	25,000
Retained earnings		282,458	287,698
<b>Total equity</b>		<b>357,458</b>	<b>362,698</b>
<b>Current liabilities</b>			
Accounts and other payable	8	182,919	24,847
Contract liabilities		16,417	38,732
<b>Total current liabilities</b>		<b>199,336</b>	<b>63,579</b>
<b>Total equity and liabilities</b>		<b>556,795</b>	<b>426,277</b>

The financial statements were approved and signed by the Directors on .....

**Manish Nahata**  
**(Authorised signatory)**

**Unmed Singh Nahata**  
**(Authorised signatory)**

The accompanying notes form an integral part of these financial statements.

**EVOLUTIONARY SYSTEMS BAHRAIN WLL****STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022**

In BHD

	<b>Note no.</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>INCOME</b>			
Income from operation		708,066	514,903
Cost of operation	9	(667,112)	(228,745)
<b>Gross income</b>		<b>40,954</b>	<b>286,158</b>
Other income			436
<b>Total income</b>		<b>40,954</b>	<b>286,594</b>
<b>EXPENSES</b>			
General and administration expenses	10	46,194	20,365
<b>Total expenses</b>		<b>46,194</b>	<b>20,365</b>
<b>Total comprehensive income for the year</b>		<b>(5,240)</b>	<b>266,229</b>

The financial statements were approved and signed by the Directors on .....

**Manish Nahata**  
**(Authorised signatory)**

**Unmed Singh Nahata**  
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**EVOLUTIONARY SYSTEMS BAHRAIN WLL****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022**

				In BHD
	<b>Share capital</b>	<b>Legal reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance as at 1 April 2020</b>	<b>50,000</b>	<b>7,263</b>	<b>39,206</b>	<b>96,469</b>
Total comprehensive income for the year	-	-	266,229	266,229
Transferred to legal reserve		17,737	(17,737)	-
<b>Balance as at 31 March 2021</b>	<b>50,000</b>	<b>25,000</b>	<b>287,698</b>	<b>362,698</b>
Total comprehensive income for the period	-	-	(5,240)	(5,240)
Transferred to legal reserve		-	-	-
<b>Balance as at 31 March 2022</b>	<b>50,000</b>	<b>25,000</b>	<b>282,458</b>	<b>357,458</b>

The financial statements were approved and signed by the Directors on .....

**Manish Nahata**  
**(Authorised signatory)**

**Unmed Singh Nahata**  
**(Authorised signatory)**

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**EVOLUTIONARY SYSTEMS BAHRAIN WLL**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022**

In BHD

	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<u>Cash flows from operating activities</u>		
Comprehensive income for the year	(5,240)	266,229
<b>Cash flows from operating activities before working capital changes</b>	<b>(5,240)</b>	<b>266,229</b>
Changes in operating assets and liabilities:		
Changes in accounts and other receivable	(37,932)	(180,097)
Changes in contract assets	(125,560)	
Changes in contract liabilities	(22,315)	
Increase / (decrease) in accounts and other payable	158,073	12,963
<b>Net cash flows from operating activities</b>	<b>(32,975)</b>	<b>99,095</b>
<b>Cash flows from investing activities</b>	-	-
<b>Net cash flows from investing activities</b>	-	-
<b>Cash flows from financing activities</b>	-	-
<b>Net cash flows from financing activities</b>	-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(32,975)</b>	<b>99,095</b>
Cash and cash equivalents at the beginning of the year	162,730	63,635
<b>Cash and cash equivalents at the end of the year</b>	<b>129,756</b>	<b>162,730</b>

The accompanying notes form an integral part of these financial statements

On \_\_\_\_\_, the Board of Directors of Evolutionary Systems Bahrain S.P.C. approved these financial statements

**Manish Nahata**  
**(Authorised signatory)**

**Unmed Singh Nahata**  
**(Authorised signatory)**

# Evolutionary Systems Bahrain WLL

## Notes to the financial statements for the year ended 31 March 2022

### 1. Organisation and activities

Evolutionary systems Bahrain WLL (the “Company”) is a limited liability company registered in the Kingdom of Bahrain with the Ministry of Industry, Commerce and Tourism under commercial registration number 91774-1 obtained on 25 November 2014.

The Company is engaged in Computer programming activities, Computer Consultancy and computer facilities management activities.

The Company’s registered office is situated in the Kingdom of Bahrain.

### 1A. COVID impact during the year

On 21 February 2020, Kingdom of Bahrain confirmed the first case of COVID-19 whilst Health Ministry in Bahrain was on high alert and started implementing pre-emptive measures from January 2020. On 11 March 2020, World Health Organization (WHO) declared COVID-19 outbreak a global pandemic and asserted the threat posed by this virus. COVID-19 pandemic is presenting challenges for many entities throughout the world. The pandemic arrested the growth in business and resulted in pulling down the activities of the Company.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

The Company’s financial statements have been prepared on an accrual basis and under the historical cost convention. The Company’s financial statements are presented in Bahrain Dinars. All values are rounded to the nearest Bahrain Dinar.

#### 2.2 Statement of compliance and going concern assumption

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in conformity with the Bahrain Commercial Companies Law. They have been prepared under the assumption that the Company operates on a going concern basis.

#### 2.3 New or revised Standards or Interpretations

##### **New Standards adopted as at 1 January 2021**

Some accounting pronouncement which have become effective from 1 January 2021 and have therefore been adopted do not have a significant impact on the Company’s financial results or position.

##### **Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company**

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company.

# Evolutionary Systems Bahrain WLL

## Notes to the financial statements for the year ended 31 March 2022

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments to Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

### 2.4 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of bank and cash balances only.

### 2.5 Provisions

Provisions are recognised by considering an obligation of the Company as on date resulting from past events, and where it is probable that such obligation will result in outflow of economic resources and amount can be reliably estimated.

### 2.6 Revenue recognition

Revenue arises mainly from the rendering of services for oracle implementation and support.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Company often enters into transactions involving a range of the Company's services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time.

Revenue from rendering of services is recognised over time, when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the reporting date.

### 2.7 Other income

Other income is recognised on an accrual basis or when the Company's right to receive payment is established.

### 2.8 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

# Evolutionary Systems Bahrain WLL

## Notes to the financial statements for the year ended 31 March 2022

### 2.9 Financial instruments

#### Recognition and derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### a. Financial assets

##### Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable), except for those other receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15.

Financial assets, other than those designated and effective as hedging instruments (if any), are classified into the following categories:

- amortised cost,
- fair value through profit or loss (FVTPL), and
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of other receivables which is presented separately in the statement of comprehensive income

##### Subsequent measurement of financial assets

###### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.



# Evolutionary Systems Bahrain WLL

## Notes to the financial statements for the year ended 31 March 2022

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's bank balances and trade and other receivables fall into this category of financial instruments.

### Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

### b. Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables and amounts due to related party. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss, if any. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

# Evolutionary Systems Bahrain WLL

## Notes to the financial statements for the year ended 31 March 2022

### 2.10 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### a. Significant management judgments

During the year, no judgements were made by management in applying the accounting policies of the Company that have the most significant effect on the financial statements.

#### b. Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**EVOLUTIONARY SYSTEMS BAHRAIN WLL****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

Amount in BHD unless otherwise stated)

**4 Accounts and other receivable**

	As at 31 March 2022	As at 31 March 2021
Accounts receivable	114,977	79,257
Provision for doubtful debts	(6,167)	(3,175)
	<b>108,809</b>	<b>76,082</b>
Tender gurantee deposit	6,960	2,500
Other receivable	744	-
	<b>116,514</b>	<b>78,582</b>

All amounts are short term. The net carrying value of accounts and other receivables is considered to be a reasonable approximation of fair value.

**5 Cash and cash equivalents**

	As at 31 March 2022	As at 31 March 2021
Cash on hand	1,796	-
Bank balances	127,959	162,730
	<b>129,755</b>	<b>162,730</b>

**6 Share capital**

	As at 31 March 2022	As at 31 March 2021
500 shares (Previous year : 500) of BHD 100/- each	50,000	50,000
	<b>50,000</b>	<b>50,000</b>

The share capital of the Company consists of 500 shares of BD 100 each, authorized, issued and fully paid up.

**7 Statutory reserve**

Under the provision of Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's profit for the year before appropriation is required to be transferred to as non-distributable reserve account up to a maximum of 50% of the issued share capital.

**8 Accounts and other payable**

	As at 31 March 2022	As at 31 March 2021
Accrued expenses	10,512	3,538
Trade payable	45	1,662
Amount due to related party	144,957	13,644
Provision for Gratuity	14,174	-
Other payable	13,232	6,003
	<b>182,919</b>	<b>24,847</b>

The carrying value of accounts payable is considered to be a reasonable approximate of fair value at the financial position date.

**EVOLUTIONARY SYSTEMS BAHRAIN WLL****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

Amount in BHD unless otherwise stated)

**9 Cost of operations**

	Year ended 31 March 2022	Year ended 31 March 2021
Staff cost	110,454	68,821
Professional services	542,484	159,180
Gratuity costs	14,174	
Consultancy expenses	-	744
	<b>667,112</b>	<b>228,745</b>

**10 General and administration expenses**

	Year ended 31 March 2022	Year ended 31 March 2021
Rent	8,213	6,800
Immigration and visa	7,395	1,851
Legal and professional charges	7,146	7,507
Bank charges	822	868
Bad debts	6,167	3,175
Travelling and conveyance	13,817	-
Electricity	855	
Miscellaneous expenses	1,779	164
	<b>46,194</b>	<b>20,365</b>

**11 Contingent liabilities**

As at 31 March 2022 the Company's activities were considered as normal in the ordinary course of doing business and there are no contingent liabilities.

**12 Financial instruments and risk management**

Financial assets of the company consists of bank balances and receivable.

Financial liabilities consists of payables and accrued liabilities.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's management oversees the management of these risk and formulates the policies, the Board of Directors reviews and approves policies for managing each of these risks, which are summarised below:

**Market risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

**Credit Risk:** Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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.

## EVOLUTIONARY SYSTEMS BAHRAIN WLL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Amount in BHD unless otherwise stated)

**Liquidity Risk:** Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the owners and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

Global stress in the markets brought by the COVID-19 crisis is being felt globally through lack of liquidity in foreign funding markets. In this environment, the Company has already taken measures to manage its liquidity carefully until the crisis is over. The company's management has been closely monitoring the cash flows and forecasts on a weekly basis to maintain a reasonably healthy balance sheet during this time and beyond.

The liquidity position of the Company is given below

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	129,755	162,730
Total	<b>129,755</b>	<b>162,730</b>

#### Fair value of instruments

The fair value of the companies' financial assets comprising of accounts and other receivables, prepayments and bank balance and financial liabilities comprising of accounts and other payables that approximate to their carrying values.

#### 13 Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

#### 14 Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.

#### 15 Covid-19 Assessment

The Company has assessed the impact of Covid-19 Pandemic on its operations as well as financial reporting process, including but not limited to the areas of financial controls, credit risk, effectiveness of hedge relationship, goodwill, impairment of financial and non-financial assets, and Cyber security pertaining to the remote access of information for the year ended 31 March 2021 and up to the date of approval of financial statements. While assessing the impact, Company has considered all internal and external sources of information like industry reports, economic forecast, credit reports and company's business forecast basis the global economic consensus. Further, there have been no material changes in the financial control/process followed by the company. However, the impact of COVID-19 may be different from that estimated as on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to the business due to future economic conditions.