

**RSL SOFTWARE  
COMPANY LIMITED**

**Financial Statements  
For the Year Ended 31 March, 2015**

**RSL SOFTWARE COMPANY LIMITED**

**Financial Statements**

**31 March, 2015**

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## **RSL Software Company Limited, Sudan**

### **REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS OF M/S RSL SOFTWARE COMPANY LIMITED, KHARTOUM, SUDAN**

Your Directors have pleasure in presenting their Third Annual Report together with the Auditors Report thereon of the Company for the financial year 2014-15.

<b>FINANCIAL RESULTS:</b>	<b>in SDG</b>
<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2015</b>
Revenue from operations	Nil
Total expenses	102,325
Profit/(Loss) before tax	(102,325)
Tax	-
Profit/(Loss) after tax	(102,325)

#### **Directors**

There is no change in the Directors during the year.

#### **Auditors**

The Board of Directors recommend re-appointing M/s. Hassabo & Co., Certified Accountants, Sudan as Auditors to the Company for the year ending 31<sup>st</sup> March, 2015.

#### **Acknowledgement**

Your Directors take this opportunity to convey their appreciation for the support and co-operation received during the year under review, from all the Government Authorities, Shareholders and Bankers.

#### **For and on behalf of the Board**

**Directors**  
**9<sup>th</sup> April, 2015**

# HASSABO & Co.

**Independent Auditor's Report**  
**To the Shareholders of:**  
**RSL Software Company Limited**

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Certified Accountants  
Management Consultants  
Managing Partner:  
Hassab el Rasoul Mohd. el Tayeb - FCCA

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We have audited the accounts on pages 1 to 9 which comprise of the balance sheet as at 31 March, 2015, the income statement, cash flow statement and the statement of changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

These accounts have been prepared under the historical cost convention, and the accounting policies set out on pages 5 to 7.

## **Respective Responsibilities of Directors and Auditors**

The Company's directors are responsible for the preparation of the accounts in compliance with the International Financial Reporting Standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.


## **Basis of Opinion**

We conducted our audit in accordance with International Auditing Standards issued by the International Federation of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

## **Opinion**

In our opinion, these accounts give a true and fair view of the state of affairs of the Company at 31 March, 2015 and of the profit, of the cash flows and of the statement of changes in shareholders' equity for the year then ended in compliance with the International Financial Reporting Standards and have been properly prepared in accordance with the Companies Act, 1925.

  
Hassabo and Company  
Certified Accountants

Khartoum, 09 April, 2015

RSL Software Company Limited

Balance Sheet as at 31 March, 2015

	<u>Notes</u>	As at 31 March, 2015	As at 31 March, 2014
		<u>SDG</u>	<u>SDG</u>
<b><u>Non-Current Assets:</u></b>			
Fixed assets at net book value	3	14,522	15,656
<b><u>Current Assets</u></b>			
Accounts receivable	4	437,918	256,576
Cash in hand and at banks	5	239,934	933,442
<b>Total Assets</b>		<u>677,852</u>	<u>1,190,018</u>
<b><u>Current Liabilities</u></b>			
Accounts payable	6	1,036,751	1,447,726
		<u>1,036,751</u>	<u>1,447,726</u>
<b>Net Current Liabilities</b>		(358,898)	(257,708)
<b>NET ASSETS</b>		<u>(344,377)</u>	<u>(242,052)</u>
<b><u>Rerepresented By:</u></b>			
Share capital	7	100,000	100,000
Retained earnings		(444,377)	(342,052)
		<u>(344,377)</u>	<u>(242,052)</u>

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

These accounts were approved by the management on 09th April, 2015.

Director

Director

RSL Software Company Limited

PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31 MARCH, 2014

		Year ended 31 Mar 2015	Year ended 31 Mar 2014
	<u>Notes</u>	<u>SDG</u>	<u>SDG</u>
Revenue	8	0	194,687
Other income- Forex gain		0	43,424
Less: Cost of sales	9	0	157,371
		0	80,740
<b>Gross Profit</b>			
<u>Operating Expenses</u>			
Sales and marketing expenses	10	29,569	421,744
Administrative expenses	11	71,622	82,033
Non cash items		1,135	1,135
		102,325	504,912
Net Profit for the period before taxation		(102,325)	(424,172)
Taxation	12	0	0
<b>NET PROFIT FOR THE PERIOD AFTER TAXATION</b>		<b>(102,325)</b>	<b>(424,172)</b>

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

RSL Software Company Limited

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH, 2015

	Year ended 31 Mar 2014	Year ended 31 Mar 2014
	<u>SDG</u>	<u>SDG</u>
<b>Cash flows from operating activities:</b>		
Net income after taxation	(102,325)	(424,172)
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	1,135	1,135
Loss on disposal of fixed assets	-	-
<b>Changes in assets and liabilities:</b>		
(Increase)/Decrease in accounts receivables	(181,342)	38,054
Increase in payables and accruals	(410,975)	1,095,300
	-	-
<b>Net cash (used in)/provided by operating activities</b>	<u>(693,508)</u>	<u>710,317</u>
<b>Cash flows used for investing activities:</b>		
Purchase of property and equipment	-	-
<b>Net cash used in investing activities</b>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities:</b>		
Share capital paid	-	-
Proceed from diposal of fixed Assets	-	-
<b>Net cash provided by financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalent</b>	(693,508)	710,317
<b>Balance, beginning of the year</b>	933,442	223,125
<b>Balance, end of the year</b>	<u>239,934</u>	<u>933,442</u>

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

RSL Software Company Limited

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH, 2015

	Capital <u>SDG</u>	Retained Earnings <u>SDG</u>	Net Income for the Year <u>SDG</u>	Total <u>SDG</u>
Share capital paid up	100,000			100,000
Net profit for the period			(342,052)	(342,052)
<b>Balance, 31 March, 2014</b>	<b>100,000</b>	<b>0</b>	<b>(342,052)</b>	<b>-</b>
Net profit for the period			(102,325)	(102,325)
<b>Balance, 31 March, 2015</b>	<b>100,000</b>	<b>0</b>	<b>(444,377)</b>	<b>(344,377)</b>

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



**RSL Software Company Limited,**

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH, 2015**

**1. ORGANIZATION**

The Company is a private limited liability company incorporated on 26 February, 2012 - in Sudan under the Companies Ordinance, 1925, registration number 40403. Its registered office is at House 306, Block 21, Riyad, Khartoum, Sudan.

It is principally engaged in information technology services industry and its principal activities are software and system development, software sales, consultancy and related services.

**2. SIGNIFICANT ACCOUNTING POLICIES**

A summary of principal accounting policies, all of which have been applied consistently throughout the current period is set out below.

**2.1 Basis of Accounting**

The accounts are prepared under the historical cost convention, on a going concern concept and accrual basis of accounting in compliance with the International Financial Reporting Standards issued by the International Accounting Standard Board (IASB) and interpretations issued by the Standards Interpretations Committee of the IASB

**2.3 Tangible Fixed Assets**

Tangible Fixed Assets are shown at original historical cost less accumulated depreciation. Depreciation is provided on historical cost at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Furniture	6.33%
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Depreciation in respect of tangible fixed assets acquired or disposed off during the year is charged from the date an asset is brought into use or till the date of its disposal.

These assets are reviewed periodically for any impairment. If there is an indication that the carrying value of an asset is greater than the recoverable amount, the asset is written down to its recoverable amount and the resultant impairment loss is taken to the income statement

**2.4 Revenue Recognition**

The Company recognizes revenue in the accounts upon delivery of products and services to customers. Revenue is shown net of valued added tax and discounts.

In case of fixed price software development/implementation contracts, revenue is recognized in accordance with percentage of completion method of accounting. In case of time and

## **RSL Software Company Limited**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH, 2015 (Cont'd)**

material contracts, revenue is recognized based on billable time spent in the project, priced at the contractual rate. Revenue from Maintenance services is recognized on a pro-rata basis.

#### **2.5 Provision for Bad and Doubtful Debt**

Receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

#### **2.6 Foreign Currency**

The functional currency of the Company is the Sudanese Pound. Transactions denominated in foreign currencies are recorded in the functional currency at the rates of exchange prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of transaction is included as an exchange gain or loss in the profit and loss account.

#### **2.7 Post Service Benefits**

The Company provides post-retirement benefits to their retirees. The entitlement to these benefits is usually based on the employee completing a minimum service period as defined in the Sudanese Labour Law of 1997. No provision has been considered necessary in respect of this estimated liability after taking into account social insurance contributions made to-date.

#### **2.8 Taxation**

The Company is subject to business profit tax of 15% on taxable profit. No provision has been made as the Company ended the year with a net loss.

#### **2.9 Zakat**

Zakat, Muslim elms tax, is calculated in accordance with the Sudanese zakat regulations, and is not provided for in the financial statements as its shareholders are non Muslims.

#### **2.10 Cash and cash equivalent**

Cash and cash equivalent are determined on the basis of balance in cash and with banks both in local and foreign currencies.

#### **2.11 Contingenices**

Contingent assets are not recognized assets until realization becomes virtually certain.

Contingent liabilities are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs and the cash flows to settle the obligation are both probable and able to be reliably measured.

## RSL Software Company Limited

### NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH, 2015 (Cont'd)

#### 2.12 Impairment of financial assets

An assessment is made at each balance sheet date to determine whether there is an objective evidence that a specific financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognized for the difference between the recoverable amount and the carrying out in the income statement.

#### 2.13 Significant accounting judgements and estimates

In accordance with the accounting policies management is required to make the following judgements and estimates that may affect the carrying value of assets and liabilities.

##### 2.13.1 Judgements

At each balance sheet date, management assesses, whether there is any indication that intangible assets, property and equipment may be impaired. The determination of impairment requirement considerable judgment and involves evaluation of several factors including industry and market conditions.

##### 2.13.2 Sources of estimation and uncertainty

- (a) In respect of accounts receivable, the Company estimates an allowance for doubtful receivables based on part collection history and expected cash flows from debts that are overdue; and
- (b) As regards tangible assets, the Company estimates useful lives and residual value of tangible assets.

Any change in the estimates and assumptions used as well as the use of different, but equally reasonable estimates and assumptions may have an impact on the carrying value of the above assets.

#### 2.14 Related Party Transactions

The Company is a wholly owned subsidiary of Ramco Systems Limited, incorporated in India. The related party transactions include net payable to or receivable from the parent company and or other fellow subsidiaries. Transactions other than those pertaining to loan are interest free.

Details of the related party transactions are given below :

Particulars	Transactions during the year – SDG	Outstanding as on 31 March, 2015 – SDG
Ramco Systems Ltd., India Goods and Services purchased	Nil	Nil
Ramco Systems Ltd., Dubai Goods and Services purchased	Nil	1,012,751 amounts payable
Ramco Systems FZ-LLC, Dubai Goods and Services purchased	439,120 debits during the year	207,847 amounts receivable

RSL Software Company Limited

Notes To The Accounts - 31 March, 2015

	(cont'd)	
	Equipment and Furniture SDG	Total SDG
<b>NOTE 3: Fixed assets:</b>		
<i>Cost:</i>		
At beginning of year	17,926	17,926
Additions		0
Disposal		0
At end of year	<u>17,926</u>	<u>17,926</u>
<i>Accumulated depreciation:</i>		
At beginning of year	2,269	2,269
Charge for the year	1,135	1,135
Eliminated on disposal	0	0
At end of year	<u>3,404</u>	<u>3,404</u>
<i>Net book value</i>		
At 31 March 2015	<u>14,522</u>	<u>14,522</u>

	SDG	SDG
<b>NOTE 4: Accounts receivable:</b>		
Accounts receivables	222,592	222,592
Prepayments	0	8,000
Due to related companies	207,847	0
Due from employees	0	25,584
Due from department	7,479	400
	<u>437,918</u>	<u>256,576</u>

	SDG	SDG
<b>NOTE 5: Cash in hand and at banks:</b>		
Balances at call with banks	239,934	933,442
	<u>239,934</u>	<u>933,442</u>

	SDG	SDG
<b>NOTE 6: Accounts payable:</b>		
Due to parent company	1,012,751	1,393,681
VAT	0	0
Due to employees	0	0
Accrued expenses	24,000	54,045
Provision for business profit tax	0	0
	<u>1,036,751</u>	<u>1,447,726</u>

	SDG	SDG
<b>NOTE 7: Share capital:</b>		
<i>Authorized share capital:</i>		
1 million ordinary shares of SDG 1 each	1,000,000	1,000,000
<i>Issued share capital:</i>		
100,000 ordinary shares of SDG 1 each	100,000	100,000

The entire paid up share capital is held, directly and indirectly, by the parent company, Ramco Systems Limited, India.

**NOTE 8: Revenue from services:**

Services related revenues represent amounts billed by the Sudan entity to its clients during the year. Revenue is shown as the amount billed net of value added tax.

	<u>SDG</u>	<u>SDG</u>
Total revenue	0	194,687

**NOTE 9: Cost of sales:**

	<u>SDG</u>	<u>SDG</u>
Cost of Execution	0	11,133
Professional Services & Expenses relating to projects	0	146,238
Total	0	157,371

**NOTE 10: Sales and marketing expenses:**

	<u>SDG</u>	<u>SDG</u>
Salaries	0	226,000
Incentive	0	99,950
Contribution to Social Security fund	0	38,420
Travel and Telephone Expenses	29,569	52,818
Other Selling Expenses	0	4,556
	<u>29,569</u>	<u>421,744</u>

**NOTE 11: Administration expenses:**

	<u>SDG</u>	<u>SDG</u>
Staff welfare	0	372
Rent & Utilities	0	43,423
Repairs & Maintenance	0	7,234
Professional & Legal Fees	0	7,500
Audit Fees	27,900	20,000
Bank charges	843	2,689
Fees and Taxes	5,000	0
Printing & Stationery	0	815
Foreign exchange losses	37,879	0
	<u>71,622</u>	<u>82,033</u>

**NOTE 12: Taxation:**

Provision for business profit tax has been made at 15% of the taxable profit,

	<u>SDG</u>	<u>SDG</u>
Provision for the year	0	0

**NOTE 13: Contingent liabilities:**

Disputed VAT / PIT demands	<u>28,315</u>	<u>0</u>
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