

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS
FOR THE PERIOD FROM JULY 20, 2023 TO MARCH 31, 2024
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REPORT

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

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الماجد والعنزي محاسبون ومراجعون قانونيون
AlMajed & AlEnzi Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE PARTNER OF
NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A Single Person Limited Liability Company)

Opinion

We have audited the financial statements of **Newgen Software Technologies Company Limited** (A Single Person Limited Liability Company) ("the Company"), which comprise of the statement of financial position as at March 31, 2024, and the statement of comprehensive income, statement of changes in partners' equity and statement of cash flows for the period from July 20, 2023 to March 31, 2024, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and its financial performance and its cash flows for the period from July 20, 2023 to March 31, 2024 in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) endorsed in the Kingdom of Saudi Arabia. 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 Company in accordance with the international Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in conformity with IFRS endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and the Regulations for Companies and the Company's Articles of Association with respect to the preparation and presentation of financial statements, and for such internal control as management 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 management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs endorsed in the Kingdom of Saudi Arabia 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 ISAs endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Company's management.
- Conclude on the appropriateness of Company's 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Mamdouh S. Al Majed & Faisal M. Al Enzi



Mamdouh Al Majed
License No. 425 dated 18/07/1431H

Riyadh, on April 29, 2024
Corresponding to: Shawwal 20, 1445H

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

All amounts are in Saudi Riyal

	Note	<u>March 31, 2024</u>
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Equipment, net	7	13,395
TOTAL NON-CURRENT ASSETS		<u>13,395</u>
CURRENT ASSETS		
Trade receivables		6,441,229
Prepaid expenses	8	72,029
Cash at bank		409,177
TOTAL CURRENT ASSETS		<u>6,922,435</u>
TOTAL ASSETS		<u>6,935,830</u>
<u>PARTNERS' EQUITY AND LIABILITIES</u>		
PARTNERS' EQUITY		
Capital	1	1,000,000
Statutory reserves		16,830
Profit for the period		151,471
TOTAL PARTNERS' EQUITY		<u>1,168,301</u>
CURRENT LIABILITIES		
Due to a related party	9	3,291,224
Accrued expenses and other credit balances	10	2,438,235
Provision for income tax	11	38,070
TOTAL CURRENT LIABILITIES		<u>5,767,529</u>
TOTAL PARTNERS' EQUITY AND LIABILITIES		<u>6,935,830</u>

The accompanying notes from 1 to 18 form an integral part of these financial statements.

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

STATEMENT OF COMPREHENSIVE INCOME

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

	Note	<u>From July 20, 2023 to March 31, 2024</u>
Revenue	12	5,524,074
Cost of revenue	9	<u>(4,420,802)</u>
GROSS PROFIT		<u>1,103,272</u>
General and administrative expenses	13	(928,774)
Other income		<u>31,873</u>
PROFIT FOR THE PERIOD BEFORE INCOME TAX		<u>206,371</u>
Income Tax	11	<u>(38,070)</u>
PROFIT FOR THE PERIOD		<u><u>168,301</u></u>
OTHER COMPREHENSIVE INCOME		-
COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>168,301</u></u>

The accompanying notes from 1 to 18 form an integral part of these financial statements.

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

STATEMENT OF CHANGES IN PARTNERS' EQUITY

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

	<u>Capital</u>	<u>Statutory Reserves</u>	<u>Profit for the period</u>	<u>Total</u>
Capital	1,000,000	-	-	1,000,000
Comprehensive income for the period	-		168,301	168,301
Transfer to statutory reserves		16,830	(16,830)	-
As at March 31, 2024	<u>1,000,000</u>	<u>16,830</u>	<u>151,471</u>	<u>1,168,301</u>

The accompanying notes from 1 to 18 form an integral part of these financial statements.

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

STATEMENT OF CASH FLOWS

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

	<u>From July 20, 2023 to March 31, 2024</u>
<u>OPERATING ACTIVITIES</u>	
Profit for the period before income tax	206,371
Adjustments:	
Depreciation of equipment	448
	<u>206,819</u>
Working capital adjustments:	
Trade receivables	(6,441,229)
Prepaid expenses	(72,029)
Due to a related party	3,291,224
Accrued expenses and other credit balances	2,438,235
Net cash flow used in operating activities	<u>(576,980)</u>
<u>INVESTING ACTIVITIES</u>	
Purchase of equipment	(13,843)
Net cash flow used in investing activities	<u>(13,843)</u>
<u>FINANCING ACTIVITIES</u>	
Capital	1,000,000
Net cash flow from financing activities	<u>1,000,000</u>
CHANGES IN CASH AND CASH EQUIVALENTS	409,177
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PRIOD	<u>409,177</u>

The accompanying notes from 1 to 18 form an integral part of these financial statements.

NEWGEN SOFTWARE TECHNOLOGIES COMPNAY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

1 CORPORATE INFORMATION

Newgen Software Technologies Company Limited (the "Company") is a limited liability company, registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration No. 1010905629 dated Muharram 02, 1445H (corresponding to July 20, 2023) and operates under the Ministry of Investment license No. 102104412214103 dated Dhu al-Hijjah 14, 1444H (corresponding to July 03, 2023) expiring on Dhu al-Hijjah 13, 1445H (corresponding to June 20, 2024).

The registered office of the Company is in Riyadh, Kingdom of Saudi Arabia.

The Company is involved in activities of the Systems analysis, design and programming of special software, interface and user experience design, application development, provision of management and monitoring services for communications and information networks, cybersecurity, establishment of infrastructure for hosting websites on the network, data processing services, and activities related to that, registration to provide cloud computing services.

These are the first financial statements of the Company starting from date of commercial registration July 20, 2023 to March 31, 2024. Accordingly, no comparative financial information has been presented in these financial statements.

The Capital of the Company amounted to SR 1,000,000 and consists of 100,000 shares with value of SR 10 each. The details are as follows:

<u>Name of Partner</u>	<u>Percentage</u>	<u>Number of shares</u>	<u>Capital</u>
Newgen Software Technologies Limited - India	100%	100,000	1,000,000

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.2 Basis of measurement

These financial statements are prepared under the historical cost convention, using the accruals basis of accounting.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Riyals (SR) which is also the functional currency of the Company.

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

3 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material carrying amounts of assets and liabilities within the financial period include:

- Useful life of equipment
- Impairment of financial and non-financial assets
- Provisions
- Provision for income taxes

The revisions to accounting estimates (if any) are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.2 Critical judgments in applying accounting standards

The critical judgments do not have significant effect on the amounts recognized in these financial statements.

4 STANDARDS THAT ARE EFFECTIVE IN CURRENT PERIOD

The standards and interpretations that are issued and are effective for current accounting period are described below:

<u>Standard/ interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 1	Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 17	Insurance contracts	1 January 2023

The Company did not have any significant impact of these standards and interpretations.

5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the reporting date are disclosed below. The Company intends to adopt these standards, where applicable, when they become effective.

<u>Standard/ interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 1	Non-current liabilities with covenants and Classification of Liabilities as Current or Non-current amendments	1 January 2024
Amendments to IFRS 16	Lease liability on a sale and leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7	Disclosure -Supplier finance arrangements	1 January 2024
Amendments to IAS 21	Income Taxes – lack of exchangeability	1 January 2025

The Company is yet to assess the full impact of these standards and interpretations.

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

6 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the preparation of these financial statements.

Equipment

Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated from the date the item of equipment is available for its intended use. Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Equipment	3 years
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If there is an indication that there has been a significant change in useful life or residual value of an item, the depreciation is revised prospectively to reflect the new estimates.

An item of equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income.

Impairment of non-financial assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in statement of comprehensive income.

Financial instruments

a) Non derivative financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of income or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company initially recognises financial assets on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

a) Non derivative financial assets-continued

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

6 MATERIAL ACCOUNTING POLICIES - CONTINUED

Financial instruments-continued

b) Non derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method. Non-derivative financial liabilities of the Company comprise of trade and other payables.

Impairment of non-derivative financial assets

The Company assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its debt instruments as part of its financial assets, carried at amortised cost and FVOCI.

For accounts receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates were derived from historical information of the Company and are adjusted to reflect the expected future outcome which also incorporates forward looking information for macroeconomic factors such as inflation and gross domestic product growth rate.

Other financial assets such as employees' receivables, bank balances have low credit risk and the impact of applying ECL is immaterial.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Income Tax

Income tax is provided for in accordance with the Saudi Arabian Zakat and Income Tax Regulations, and is charged to the statement of income. The Company withholds required taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia, as required under Saudi Arabian Income Tax Law.

Deferred tax liabilities and assets are recognized for all temporary differences at current rates of taxation. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the near future to allow all or part of the deferred tax asset to be utilized. The deferred tax is charged to the statement of income.

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

6 MATERIAL ACCOUNTING POLICIES - CONTINUED

Revenue recognition

The Company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: the transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised product or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products or services.

When the outcome cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

Other income is recognised when the right to receive income is established.

Cost of revenues

All direct operating expenses incurred in earning revenues are included in cost of revenues.

General and administrative expenses

All expenses not classed as cost of revenue are classified as general and administrative expenses.

Transactions and balances in foreign currency

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in the statement of comprehensive income.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all liabilities as current except for employee benefit obligations.

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

7 EQUIPMENT, NET

	<u>Equipment</u>
Cost	
Additions	13,843
At March 31, 2024	<u>13,843</u>
Accumulated Depreciation	
Charge for the period	448
At March 31, 2024	<u>448</u>
Net book value	
At March 31, 2024	<u><u>13,395</u></u>

8 PREPAID EXPENSES

	<u>March 31, 2024</u>
Prepaid expenses	72,029
	<u>72,029</u>

9 RELATED PARTY DISCLOSURES

Related parties represent partners, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. Following is the list of related parties of the Company.

Name of related party	Nature of relationship
Newgen Software Technologies Limited - India	Partner

The following are the details of the related parties' transactions during the period and balances for the period from July 20, 2023 to March 31, 2024:

Related party	Nature of transactions	<u>Amount of Transactions</u>	<u>Ending Balance</u>
		From July 20, 2023 to March 31, 2024	March 31, 2024
Due to a related party			
Newgen Software	Technical services	4,420,802	
Technologies Limited – India	Cost charge	319,694	
	WHT	(711,074)	
	Revenue	(738,198)	
			<u>3,291,224</u>
			<u>3,291,224</u>

10 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	<u>March 31, 2024</u>
Value added tax payable - net	816,066
Unearned revenue	785,400
Withholding tax payable	715,002
Accrued expenses	111,467
Others	10,300
	<u>2,438,235</u>

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

11 INCOME TAX

	From July 20, 2023 to March 31, 2024
Adjusted profit	190,351
Charge for the period @ 20%	38,070
	38,070

12 REVENUE

Revenue from services is recognised at a point in time when services are rendered to customers.

Revenue from Software Licence is recognised upon activation.

	From July 20, 2023 to March 31, 2024
Software licenses	5,524,074
	5,524,074

13 GENERAL AND ADMINISTRATIVE EXPENSES

	From July 20, 2023 to March 31, 2024
Employment expenses	331,799
Legal and professional fees	161,715
Back Office Support Cost	131,090
Marketing	120,760
Management Support Service Cost	82,405
Travel and transportation	19,417
Depreciation (note 7)	448
Others	81,140
	928,774

14 FINANCIAL RISK MANAGEMENT

Financial risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing operations and each individual within the entity is accountable for the risk exposures relating to respective responsibilities. The Company's activities are exposed to a variety of financial risks which mainly include market risk, commission rate risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commission rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, and equity investments.

NEWGEN SOFTWARE TECHNOLOGIES COMPANY LIMITED
(A SINGLE PERSON LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For the period from July 20, 2023 to March 31, 2024

All amounts are in Saudi Riyal

14 FINANCIAL RISK MANAGEMENT - CONTINUED

Commission rate risk

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Company is not subject to commission rate risk as at the statement of financial position date because these were no deposits with banks carrying commission, and no borrowings.

Credit risk

Credit risk is risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company's financial assets include cash and cash equivalents. The Company seeks to limit credit risk by maintaining balances with banks with sound credit rating.

Liquidity risk

It is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Due to the low volume and non-complex nature of the transactions, the operational cash flow of the Company is normally predictable. The Company's liquidity risk is currently managed mainly through partners' support.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk as the majority of the Company's transactions are denominated in Saudi Riyals and US Dollars which have a fixed exchange rate to the functional currency; therefore, they are not considered to represent a significant risk to the Company.

15 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. All the financial assets and liabilities of the Company are classified and measured at amortized cost except for investments, and the carrying amounts of these financial assets and liabilities are a reasonable approximation of fair value.

16 CAPITAL MANAGEMENT

Capital is equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to support its business, able to continue as a going concern and maximise the returns.

17 SUBSEQUENT EVENTS

There have been no significant subsequent events since the period ended March 31, 2024 that would have a material impact on the financial position of the Company as reflected in these financial statements.

18 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements for the period from July 20, 2023 to March 31, 2024 were authorized for issue in accordance with a resolution of the partner on April 29, 2024 (corresponding to Shawwal 20, 1445H).