

Intellect Design Arena Limited
Annual Report and Financial Statements
for the year ended March 31, 2020

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

General Information

Country of incorporation and domicile	Kenya
Date of incorporation	April 28, 2016
Directors	Govind Singhal Thakur Vikas Sinha Atanu Ganguli
Registered office	L.R. No. 209/1907 5th Floor, Avocado Towers Muthithi Road, Westlands P.O. Box 45569-00100 Nairobi
Principal banker	Standard Chartered Bank Kenya P.O. Box 30003-00100 Ground Floor, Stan Bank House Moi Avenue Nairobi
Independent auditor	Grant Thornton Certified Public Accountants (Kenya) 5th Floor, Avocado Towers Muthithi Road, Westlands P.O. Box 46986-00100 Nairobi
Company secretary	Mutual Registrars Associates Certified Public Secretaries (K) P.O. Box 45669-00100 Nairobi
Company registration number	PVT/2016/011057
Tax reference number	P051650633Y
Ultimate holding company	Intellect Design Arena Limited (India)

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Contents

	Page
Directors' Report	3 - 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 - 7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Significant Accounting Policies	12 - 14
Notes to the Annual Report And Financial Statements	15 - 20

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Directors' Report

The directors submit their report together with the audited annual report and financial statements for the year ended March 31, 2020.

In accordance with section 624 (3) of the Kenyan Companies Act, 2015, this directors' report has been prepared using the guidelines of the small companies regime.

1. Principal activities

The principal activities of the company is developing financial technology for banks, insurance companies, financial institutions and other financial services. The company operates principally in Kenya.

There have been no material changes to the nature of the company's business from the prior year.

2. Business review of financial results and activities

The annual report and financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual report and financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The board of directors do not recommend the declaration of a dividend for the year ended March 31, 2020 (2019: Nil).

5. Directors

The directors in office at the date of this report are as follows:

Govind Singhal
Thakur Vikas Sinha
Atanu Ganguli

There have been no changes to the directorate for the year under review.

6. Ultimate holding company

The company's ultimate holding company is Intellect Design Arena Limited (India) which is incorporated in India.

7. Events after the reporting period

The annual report and financial statements were prepared based on management estimates and judgement as at the reporting date. Subsequent to year-end, there has been a coronavirus (COVID-19) outbreak which has had an impact on those estimates due to change in the business environment in which the company operates. However, management is has ascertained that there will be no major impact on the company's going concern.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

8. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he or she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Directors' Report

9. Terms of appointment of the auditors

Grant Thornton continues in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditors. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

10. Approval of annual report and financial statements

The annual report and financial statements set out on pages 8 to 20, which have been prepared on the going concern basis, were approved by the board of directors on June 12, 2020, and were signed on its behalf by:



Govind Singhal
(Director)

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Statement of Directors' Responsibilities

The Kenyan Companies Act, 2015 requires the directors to prepare annual report and financial statements for each financial year that give a true and fair view of the financial position of the **company** as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the **prevention** and detection of fraud and other irregularities.

The **directors** accept responsibility for the preparation and **presentation** of these annual report and financial statements in **accordance** with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Kenyan Companies Act, 2015. They also accept **responsibility** for:

- designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of annual report and financial statements that are free of material misstatement, whether due to fraud or error;
- **selecting** suitable accounting policies and applying them consistently; and
- making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to **continue** as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the annual report and financial statements does not relieve them of their **responsibilities**.

The annual report and financial statements set out on pages 8 to 20, which have been prepared on the going concern basis, were **approved** by the board of directors on June 12, 2020 and were signed on its behalf by:



Govind Singhal
(Director)



Thakur Vikas Sinha
(Director)

Independent Auditor's Report

To the shareholder of Intellect Design Arena Limited

Report on the Audit of the Annual Report And Financial Statements

Opinion

We have audited the annual report and financial statements of Intellect Design Arena Limited set out on pages 8 to 20, which comprise the statement of financial position as at March 31, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual report and financial statements, including a summary of significant accounting policies.

In our opinion, the annual report and financial statements present fairly, in all material respects, the financial position of Intellect Design Arena Limited as at March 31, 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual report and financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of annual report and financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 20 in the annual report and financial statements, which indicates that the company had accumulated losses of Ksh (43,258,511) and the company's total liabilities exceed its total assets by Ksh 22,488,511 as at March 31, 2020. However, the financial statements have been prepared on a going concern basis by the directors on the assumption that continued financial support will be made available to the company. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Kenyan Companies Act, 2015 of Kenya, which we obtained prior to the date of this report. Other information does not include the annual report and financial statements and our auditor's report thereon.

Our opinion on the annual report and financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual report and financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual report and financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Report And Financial Statements

The directors are responsible for the preparation and fair presentation of the annual report and financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of annual report and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual report and financial statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Annual Report And Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual report and 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 International Standards on Auditing 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 annual report and financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual report and 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 the directors.
- Conclude on the appropriateness of the directors' 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 annual report and 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 annual report and financial statements, including the disclosures, and whether the annual report and financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on other legal and regulatory requirements

In our opinion the information given in the report of the directors on page 3 - 4 is consistent with the annual report and financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report was D. V. Shah - P/No 1729.



Grant Thornton
Certified Public Accountants (Kenya)
Nairobi

12 JUNE 2020

I/068/0320/384/0620/AUD

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Statement of Profit or Loss and Other Comprehensive Income

Figures in Shillings	Note(s)	2020	2019
Revenue	2	45,212,842	-
Operating expenses	3	<u>(42,615,293)</u>	<u>(37,162,042)</u>
Operating profit (loss)		2,597,549	(37,162,042)
Finance costs	5	<u>(784,687)</u>	<u>(52,268)</u>
Profit (loss) before taxation		1,812,862	(37,214,310)
Taxation	6	<u>(1,959,894)</u>	<u>-</u>
Loss for the year		(147,032)	(37,214,310)
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(147,032)</u>	<u>(37,214,310)</u>

The accounting policies on pages 12 to 14 and the notes on pages 15 to 20 form an integral part of the annual report and financial statements.

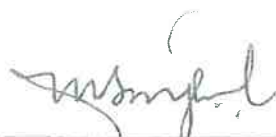
Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Statement of Financial Position as at March 31, 2020

Figures in Shillings	Note(s)	2020	2019
Assets			
Non-Current Assets			
Deferred tax	8	1,056,941	2,527,358
Current Assets			
Trade and other receivables	9	47,564,700	1,873,796
Cash and cash equivalents	10	2,956,099	18,922,557
		<u>50,520,799</u>	<u>18,796,353</u>
Total Assets		<u>51,577,740</u>	<u>21,323,711</u>
Equity and Liabilities			
Equity			
Share capital	11	20,770,000	20,770,000
Accumulated loss		(43,258,511)	(43,111,479)
		<u>(22,488,511)</u>	<u>(22,341,479)</u>
Liabilities			
Non-Current Liabilities			
Loan from related party	12	27,064,532	15,375,068
Current Liabilities			
Other payables	13	46,512,242	28,290,122
Current tax payable	7	489,477	-
		<u>47,001,719</u>	<u>28,290,122</u>
Total Liabilities		<u>74,066,251</u>	<u>43,665,190</u>
Total Equity and Liabilities		<u>51,577,740</u>	<u>21,323,711</u>

The annual report and financial statements and the notes on pages 8 to 20, were approved by the board of directors on the June 12, 2020 and were signed on its behalf by:



Govind Singhal
(Director)



Thakur Vikas Sinha
(Director)

The accounting policies on pages 12 to 14 and the notes on pages 15 to 20 form an integral part of the annual report and financial statements.

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Statement of Changes in Equity

Figures in Shillings	Share capital	Accumulated loss	Total equity
Balance at April 1, 2018	20,770,000	(5,897,169)	14,872,831
Loss for the year	-	(37,214,310)	(37,214,310)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(37,214,310)	(37,214,310)
Balance at April 1, 2019	20,770,000	(43,111,479)	(22,341,479)
Loss for the year	-	(147,032)	(147,032)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(147,032)	(147,032)
Balance at March 31, 2020	20,770,000	(43,258,511)	(22,488,511)
Note(s)	11		

The accounting policies on pages 12 to 14 and the notes on pages 15 to 20 form an integral part of the annual report and financial statements.

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Statement of Cash Flows

Figures in Shillings	Note(s)	2020	2019
Cash flows (used in) operating activities			
Cash used in operations	15	(24,871,235)	(18,016,881)
Finance costs	5	(784,687)	(52,268)
Net cash (used in) operating activities		(25,655,922)	(18,069,149)
Cash flows from financing activities			
Proceeds of loan from related party	12	10,425,924	15,375,068
Repayment of loan from related party		1,263,540	-
Net cash from financing activities		11,689,464	15,375,068
Total cash and cash equivalents movement for the year		(13,966,458)	(2,694,081)
Cash and cash equivalents at the beginning of the year	10	16,922,557	19,616,638
Total cash and cash equivalents at end of the year	10	2,956,099	16,922,557

The accounting policies on pages 12 to 14 and the notes on pages 15 to 20 form an integral part of the annual report and financial statements.

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Significant Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual report and financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Kenyan Companies Act, 2015. For Kenyan Companies Act, 2015 reporting purposes in these financial statements, the balance sheet is represented by the statement of financial position and the profit and loss account is represented by the statement of profit or loss and other comprehensive income.

The annual report and financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Kenyan Shillings and rounded off to the nearest Shilling.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual report and financial statements, are outlined as follows:

Lease classification

The company is party to leasing arrangements as a lessee. The treatment of leasing transactions in the annual report and financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include receivables and payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Significant Accounting Policies

1.3 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.4 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

The company and its employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the statement of profit or loss and other comprehensive income in the year they fall due.

1.6 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

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 the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.7 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Significant Accounting Policies

1.8 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Notes to the Annual Report And Financial Statements

Figures in Shillings	2020	2019
2. Revenue		
Rendering of services	45,212,842	-
3. Operating expenses		
The following items are included within operating expenses:		
Staff costs (Note 4)	32,931,220	28,859,916
Auditors remuneration	659,203	550,801
Bank charges	64,885	81,278
Legal and professional fees	1,046,079	1,362,706
Operating lease rent	3,416,436	3,451,086
Printing and stationery	90,362	13,201
Repairs and maintenance	701,230	806,431
Travelling expenses	960,631	901,539
Telephone and postage	328,052	347,081
Business promotion expenses	222,832	18,747
Power fuel	3,826	9,473
Books and periodicals	46,202	18,822
Loss on exchange differences (see below)	2,144,335	740,961
	42,615,293	37,162,042
Loss on exchange differences		
Realised exchange differences	880,795	740,961
Unrealised exchange differences	1,263,540	-
	2,144,335	740,961
4. Staff costs		
Staff costs		
Salaries and wages	26,612,968	22,302,722
Sales incentives	5,187,304	4,832,910
Staff insurance	1,094,854	992,940
Work permit	-	702,234
NSSF company contribution	4,800	4,800
Staff welfare	31,294	24,310
	32,931,220	28,859,916
Average number of persons employed during the year was:		
Sales and marketing	2	2
5. Finance costs		
Interest on loan (Note 14)	784,687	52,268

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Notes to the Annual Report And Financial Statements

Figures in Shillings	2020	2019
6. Taxation		
Major components of the tax expense		
Current taxation		
Local normal tax - current year	489,477	-
Deferred taxation		
Local deferred tax - current year	1,470,417	-
	1,959,894	-
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit (loss)	1,812,862	(37,214,310)
Tax at the applicable tax rate of 30% (2019: 30%)	543,859	(11,164,293)
Tax effect of adjustments on taxable income		
Unused tax losses	-	11,164,293
Deferred tax effect	1,416,035	-
	1,959,894	-
7. Tax refunded		
Current tax for the year recognised in loss	(489,477)	-
Balance at end of the year	489,477	-
	-	-
8. Deferred tax		
Deferred tax asset	2,527,358	2,527,358
Reconciliation of deferred tax asset/(liability)		
At beginning of year	2,527,358	2,527,358
Recognised in profit or loss:		
Unused tax losses	(2,527,358)	-
Provisions	677,879	-
Exchange difference	379,062	-
	(1,470,417)	-
At end of year	1,056,941	2,527,358
9. Trade and other receivables		
Prepayments	1,822,729	1,608,024
Amounts due from related parties (Note 14)	45,212,842	-
Other receivables	529,129	265,772
	47,564,700	1,873,796

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Notes to the Annual Report And Financial Statements

Figures in Shillings	2020	2019
10. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	<u>2,956,099</u>	<u>16,922,557</u>
11. Share capital		
Authorised		
20,770 Ordinary shares of Ksh 1,000/= each	<u>20,770,000</u>	<u>20,770,000</u>
Issued		
20,770 Ordinary shares of Ksh 1,000/= each	<u>20,770,000</u>	<u>20,770,000</u>
All issued shares are fully paid.		
12. Loan from related party		
At amortised cost		
Intellect Design Arena FZ LLC (Note 14)	<u>27,064,532</u>	<u>15,375,068</u>
The above loan is interest free with no specific repayment terms and conditions.		
Non-current liabilities		
At amortised cost	<u>27,064,532</u>	<u>15,375,068</u>
13. Other payables		
Other payables	5,760,088	5,942,913
Amounts due to related parties (Note 14)	<u>40,752,154</u>	<u>22,347,209</u>
	<u>46,512,242</u>	<u>28,290,122</u>
14. Related parties		
Relationships		
Ultimate holding company	Intellect Design Arena Limited (India)	
Related party balances and transactions		
Related party balances		
Amounts due to related parties		
Intellect Design Arena Ltd(FT)	20,595,354	2,190,409
Intellect Dubai	<u>20,156,800</u>	<u>20,156,800</u>
	<u>40,752,154</u>	<u>22,347,209</u>
Amounts due from related parties		
Intellect Design Arena Limited (Dubai)	<u>45,212,842</u>	<u>-</u>
Loan from related party		
Intellect Design Arena FZ LLC	<u>27,064,532</u>	<u>15,375,068</u>

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Notes to the Annual Report And Financial Statements

Figures in Shillings	2020	2019
14. Related parties (continued)		
Related party transactions		
Interest paid to related parties		
Intellect Design Arena FZ LLC	784,687	52,268
Compensation paid to key management		
Short-term employee benefits	-	-
Intellect Design Arena Limited is related to the above companies by virtue of common control and directorship.		
15. Cash used in operations		
Profit (loss) before taxation	1,812,862	(37,214,310)
Adjustments for:		
Finance costs	784,687	52,268
Changes in working capital:		
Trade and other receivables	(45,690,904)	(23,741)
Other payables	18,222,120	19,168,902
	<u>(24,871,235)</u>	<u>(18,016,881)</u>

16. Contingencies

There were no contingencies for the year ended March 31, 2020.

17. Commitments

There were no commitments for the year ended March 31, 2020.

18. Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

19. Events after the reporting period

The annual report and financial statements were prepared based on management estimates and judgement as at the reporting date. Subsequent to year-end, there has been a coronavirus (COVID-19) outbreak which has had an impact on those estimates due to change in the business environment in which the company operates. However, management is has ascertained that there will be no major impact on the company's going concern.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of the Director's report.

20. Material uncertainty related to going concern

We draw attention to the annual report and financial statements, which indicates that the company had accumulated losses of Ksh (43,258,511) and the company's total liabilities exceed its total assets by Ksh 22,488,511 as at March 31, 2020.

However, the annual report and financial statements have been prepared on a going concern basis by the directors on the assumption that continued financial support will be made available to the company.

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Notes to the Annual Report And Financial Statements

21. Categories of financial instruments

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2020					
Assets					
Non-Current Assets					
Deferred tax	8	-	-	1,056,941	1,056,941
Current Assets					
Trade and other receivables	9	45,741,971	-	1,822,729	47,564,700
Cash and cash equivalents	10	2,956,099	-	-	2,956,099
		48,698,070	-	1,822,729	50,520,799
Total Assets		48,698,070	-	2,879,670	51,577,740
Equity and Liabilities					
Equity					
Share capital	11	-	-	20,770,000	20,770,000
Retained income		-	-	(43,258,511)	(43,258,511)
		-	-	(22,488,511)	(22,488,511)
Total Equity		-	-	(22,488,511)	(22,488,511)
Liabilities					
Non-Current Liabilities					
Loan from related party	12	-	27,064,532	-	27,064,532
Current Liabilities					
Current tax payable		-	-	489,477	489,477
Trade and other payables	13	-	46,512,242	-	46,512,242
		-	46,512,242	489,477	47,001,719
Total Liabilities		-	73,576,774	489,477	74,066,251
Total Equity and Liabilities		-	73,576,774	(21,999,034)	51,577,740

Intellect Design Arena Limited

Annual Report And Financial Statements for the year ended March 31, 2020

Notes to the Annual Report And Financial Statements

21. Categories of financial instruments (continued)

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2019					
Assets					
Non-Current Assets					
Deferred tax	8	-	-	2,527,358	2,527,358
Current Assets					
Trade and other receivables	9	265,772	-	1,608,024	1,873,796
Cash and cash equivalents	10	16,922,557	-	-	16,922,557
		17,188,329	-	1,608,024	18,796,353
Total Assets		17,188,329	-	4,135,382	21,323,711
Equity and Liabilities					
Equity					
Share capital	11	-	-	20,770,000	20,770,000
Retained income		-	-	(43,111,479)	(43,111,479)
		-	-	(22,341,479)	(22,341,479)
Total Equity		-	-	(22,341,479)	(22,341,479)
Liabilities					
Non-Current Liabilities					
Loan from related party	12	-	15,375,068	-	15,375,068
Current Liabilities					
Other payables	13	-	28,290,122	-	28,290,122
Total Liabilities		-	43,665,190	-	43,665,190
Total Equity and Liabilities		-	43,665,190	(22,341,479)	21,323,711