Redington Bahrain W.L.L.

Financial statements for the year ended 31 March 2024

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Commercial registration no.	147447-01 obtained on 24 August 2021
Shareholders	Middle East Holding Company Limited, UAE Redington Gulf F.Z.E, UAE
Director	Sriram Ganeshan
Registered office	Flat 45, Building 47 Road 2701, Block 327 Manama/AL Adliyah Kingdom of Bahrain
Banker	Standard Chartered Bank
Auditors	BDO 17th Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain

The management has pleasure in submitting the audited financial statements of Redington Bahrain W.L.L. ("the Company") for the year ended 31 March 2024.

Principal activities and review of business developments

The principal activities of the Company are sale of other machinery and equipment and parts, and sale of information and communication equipment and related software.

The statement of financial position and the results for the year are set out on the pages 7 and 8 of the financial statements.

Dividend

The management do not propose to pay any dividend to the shareholders for the year ended 31 March 2024 (2023: BDNil).

Representation and audit

The Company's activities for the year ended 31 March 2024 have been conducted in accordance with the Bahrain Commercial Companies Law, and other relevant statutes of the Kingdom of Bahrain.

The Company has maintained proper and complete accounting records and these, together with all other information and explanations, have been made freely available to the auditors.

The management propose to re-appoint BDO as external auditors of the Company for the next financial year, who have expressed their willingness to continue in office.

Signed on behalf of the management:

Sriram Ganeshan
Director

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Manama
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Independent auditor's report to the shareholders of Redington Bahrain W.L.L.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Redington Bahrain W.L.L. ("the Company"), which comprise the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in shareholder's equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 ethical requirements that are relevant to our audit of the financial statements in accordance with the Code of Ethics for Professional Accountants ("IESBA Code") issued by International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter

The financial statements of the company for the year ended 31 March 2023 were audited by another auditor, who expressed an unqualified opinion on those financial statements in their report dated 6 August 2023.

Other information

Management is responsible for the other information. The other information comprises the information included in the management's report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 management and Those Charged With Governance ("TCWG") for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards, 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, 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 management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those Charged With Governance are responsible for overseeing the Company's financial reporting process.

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Report on the audit of the financial statements (continued)

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 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, we exercise professional judgment and maintain professional scepticism 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 management.

- Conclude on the appropriateness of management'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 the management and 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.

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Independent auditor's report to the shareholders of Redington Bahrain W.L.L. (continued)

Report on other legal and regulatory requirements

Further, as required by the Bahrain Commercial Companies Law, we report that:

(1) we have obtained all the information we considered necessary for the purpose of our audit;
(2) the Company has carried out stock-taking in accordance with recognised procedures, has maintained proper books of account and the financial statements are in agreement therewith; and
(3) the financial information included in the management's report is consistent with the books of account of the Company.

In addition, we report that, nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law, or of its Deed of Association, which would materially affect its activities, or its financial position as at 31 March 2024.

BDO

Manama, Kingdom of Bahrain
26 June 2024

BDO Public Accountants Reg. No. 151 Nath Venkitachalam Viswanath

See Auditor's Report dated 26-06-2024
Signed by BDO, CR No. 10201-04
Partner: Nath Venkitachalam Viswanath
Reg. No. 151
Signature:

Redington Bahrain W.L.L.
Statement of financial position as at 31 March 2024
(Expressed in Bahrain Dinars)

	Notes	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Plant and equipment	5	5,689	7,484
Right-of-use assets	6	2,506	5,925
		8,195	13,409
Current assets			
Inventories	7	1,632,942	1,221,627
Trade and other receivables	8	1,977,108	1,092,500
Bank balances	9	249,885	612,920
		3,859,935	2,927,047
Total assets		3,868,130	2,940,456
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	50,000	50,000
Statutory reserve	11(a)	10,427	5,768
Retained earnings	11(b)	93,842	51,915
Other reserves		879	(1,029)
		155,148	106,654
Non-current liabilities			
Employees' terminal benefits	12	20,652	16,413
Non-current portion of lease liabilities	15	-	4,276
		20,652	20,689
Current liabilities			
Trade and other payables	13	807,103	742,547
Amounts due to a related party	14	2,882,226	2,068,734
Current portion of lease liabilities	15	3,001	1,832
		3,692,330	2,813,113
Total equity and liabilities		3,868,130	2,940,456

These financial statements were approved and authorised for issued and signed by the Director:

Sriram Ganeshan
Director

See Auditor's Report dated 26-06-2024
Signed by BDO, CR No. 10201-04
Partner: Nath Venkitachalam Viswanath
Reg. No. 151
Signature:

Redington Bahrain W.L.L.
Statement of profit or loss and other comprehensive income for the year ended 31 March 2024
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Revenue	16	11,474,032	5,994,575
Cost of sales		(11,075,230)	(5,769,020)
Gross profit		398,802	225,555
Other income		373	-
		399,175	225,555
Expenses			
General and administrative expenses	17	(337,531)	(177,829)
Finance costs	18	(15,058)	(367)
		(352,589)	(178,196)
Net profit for the year		46,586	47,359
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
Remeasurement gain/(loss) on defined benefit obligations		1,908	(1,029)
Total comprehensive income during the year		48,494	46,330

These financial statements were approved and authorised for issued and signed by the Director:

Sriram Ganeshan
Director

Redington Bahrain W.L.L.
Statement of changes in shareholder's equity for the year ended 31 March 2024
(Expressed in Bahrain Dinars)

	Share capital	Statutory reserve	Retained earnings	Other reserves	Total
At 31 March 2022	50,000	1,032	9,292	-	60,324
Net profit and total comprehensive income for the year	-	-	47,359	-	47,359
Transferred to statutory reserve (Note 11(a))	-	4,736	(4,736)	-	-
Remeasurement of retirement benefit obligation (Note 12)	-	-	-	(1,029)	(1,029)
At 31 March 2023	50,000	5,768	51,915	(1,029)	106,654
Net profit and total comprehensive income for the year	-	-	46,586	-	46,586
Transferred to statutory reserve (Note 11(a))	-	4,659	(4,659)	-	-
Remeasurement of retirement benefit obligation (Note 12)	-	-	-	1,908	1,908
At 31 March 2024	50,000	10,427	93,842	879	155,148

Redington Bahrain W.L.L.
Statement of cash flows for the year ended 31 March 2024
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Operating activities			
Net profit for the year		46,586	47,359
Adjustments for:			
Depreciation on plant and equipment	5	2,408	997
Amortisation on right-of-use assets	6	3,419	4,182
Allowance for obsolete and slow-moving inventories	7	53,702	24,379
Allowance for impaired trade receivables	8	-	373
Reversal of excess allowance for impaired trade receivables	8	(373)	-
Finance costs	18	826	328
Changes in operating assets and liabilities:			
Inventories		(465,017)	(1,014,849)
Trade and other receivables		(879,439)	(490,667)
Trade and other payables		59,760	1,137,492
Amounts due to a related party		813,492	700,879
Employees' terminal benefits, net		6,147	15,062
Net cash (used in)/provided by operating activities		(358,489)	425,535
Investing activities			
Purchase of plant and equipment	5	(2,221)	(8,433)
Proceeds from disposal of plant and equipment		1,608	-
Net cash used in investing activities		(613)	(8,433)
Financing activities			
Principal payments on lease liabilities		(3,107)	(4,112)
Finance cost paid	18	(826)	(328)
Net cash used in financing activities		(3,933)	(4,440)
Net (decrease)/increase in cash and cash equivalents		(363,035)	412,662
Cash and cash equivalents, beginning of the year		612,920	200,258
Cash and cash equivalents, end of the year	9	249,885	612,920

1 Organisation and activities

Redington Bahrain W.L.L. ("the Company") is a Limited Liability Company registered in the Kingdom of Bahrain with Ministry of Industry and Commerce under commercial registration number 147447-01 obtained on 24 August 2021.

The principal activities of the Company are sale other machinery and equipment and parts, and sale of information and communication equipment and related software.

51% shares of the Company is owned by Middle East Holding Company Limited and 49% shares are owned by Redington Gulf F.Z.E. and the ultimate parent is Redington India Limited (the "Ultimate Parent").

The registered office of the Company is in the Kingdom of Bahrain.

These financial statements, set out on pages 7 to 32, were approved and authorised for issue and signed by the Directors on 26 June 2024.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and the requirements of the Bahrain Commercial Companies Law.

Basis of presentation

These financial statements have been prepared using going concern assumption under the historical cost convention, except for remeasurement of employee terminal benefits which are based on actuarial valuation. The financial statements have been presented in Bahrain Dinars which is the functional currency of the Company.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to these financial statements.

Improvements/amendments to IFRS Accounting Standards

Improvements/amendments to IFRS Accounting Standards contained numerous amendments to IFRS Accounting Standards that the IASB considers non-urgent but necessary. 'Improvements to IFRS Accounting Standards' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS Accounting Standards. The amendments are effective for the Company's future accounting year with earlier adoption.

2 Basis of preparation (continued)

Standards, amendments and interpretations issued and effective in 2024 but not relevant

The following new amendments to existing IFRS accounting standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2024 or subsequent periods, but is not relevant to the Company's operations:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
IAS 1	Presentation of financial statements	1 January 2024
IAS 7	Statement of Cash Flows	1 January 2024
IFRS 7	Financial Instruments: Disclosures	1 January 2024
IFRS 16	Leases	1 January 2024

Standards, amendments and interpretations issued but not yet effective in 2023/2024

The following new/amended IFRS accounting standards and interpretations have been issued but are not mandatory for financial year ended 31 March 2024. They have not been adopted in preparing the financial statements for the year ended 31 March 2024 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
IAS 21	The Effects of Changes in Foreign Exchange Rates	1 January 2025

Early adoption of amendments or standards in 2023/2024

The Company did not early-adopt any new or amended standards in 2024. There would have been no change in the operational results of the Company for the year ended 31 March 2024 had the Company early adopted any of the above standards applicable to the Company.

3 Material accounting policy information

A summary of the material accounting policy information adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

Plant and equipment

All plant and equipment are stated at historical cost less accumulated depreciation. Cost includes all costs directly attributable to bringing the plant and equipment to their present location and condition for their intended use.

Depreciation is calculated on the straight-line method to write-off the cost of plant and equipment to their estimated residual values over their expected useful lives as follows:

Computers and equipment	- 3 years
Furniture and fixtures	- 5 years
Office equipment	- 5 years

3 Material accounting policy information (continued)

Plant and equipment (continued)

Gains and losses on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

Repairs and renewals are charged to the statement of profit or loss and other comprehensive income when the expenditure is incurred.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists, and where the carrying value exceed the estimated recoverable amounts, the plant and equipment are written down to their recoverable amounts.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses. Wherever necessary, allowance is made for obsolete, slow-moving and defective inventories.

The allowance for slow and non-moving inventories is calculated and provided as follows:

- 10% allowance for inventories not moved for a period between 90 - 120 days
- 25% allowance for inventories not moved for a period between 121 - 180 days
- 50% allowance for inventories not moved for a period between 181 - 270 days;
- 75% allowance for inventories not moved for a period of more than 271 - 360 days; and
- 100% allowance for inventories not moved for a period for more than 360 days.

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset were acquired. The Company's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less allowance for impairment.

The Company's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments), amounts due from a related party and cash and cash equivalents in the statement of financial position.

3 Material accounting policy information (continued)

Financial assets (continued)

Amortised cost (continued)

Trade and other receivables

Impairment allowances for current and non-current trade receivables, if any, are recognised based on the simplified approach within IFRS 9 using an allowance matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net; such allowance are recorded in a separate allowance account with the loss being recognised within general and administrative expenses in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated allowance.

Impairment allowances for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of profit or loss and comprehensive income (operating profit).

Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents includes current account balance with a bank.

Financial liabilities

The financial liabilities of the Company consist of trade and other payables (excluding employees' benefits). These financial liabilities are initially recognised at fair value and are subsequently remeasured at amortised cost using the effective interest method.

Trade and other payables (excluding employees' benefits)

Trade and other payables (excluding employees' benefits) are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation in future, and the amount of the obligation can be reliably estimated.

3 Material accounting policy information (continued)

Employees' benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

Employee benefits and entitlements to annual leave, holiday, air passage and other short-term benefits are recognised as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain. This is a defined contribution pension plan and the Company's contributions are charged to the statement of profit or loss and other comprehensive income in the year to which they relate. In respect of this plan, the Company has a legal obligation to pay the contributions as they fall due and no obligation exists to pay the future benefits.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law. The Company accrues for its liability in this respect on an annual basis, and remeasurement takes place based on actuarial valuation.

The Company operates an unfunded gratuity scheme for employees. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method, with actuarial valuation being carried out at regular interval. Re measurements, comprising actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit or loss on the earlier of the date of the plan amendment or curtailment and the date on which the Company recognises related restructuring costs. Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the changes in the net defined benefit obligation under general and administrative expenses in the statement of profit or loss.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

Revenue recognition

Performance obligations and timing of revenue recognition

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

3 Material accounting policy information (continued)

Revenue recognition *(continued)*

Determining the transaction price

Most of the Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most of the contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgment involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right-to-use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;
(b) The Company obtains substantially all the economic benefits from use of the asset; and
(c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

3 Material accounting policy information (continued)

Leases (continued)

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount;

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Based on the exemptions available in IFRS 16, low value and short-term leases are not capitalised in the statement of financial position. All payments made towards such leases are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

3 Material accounting policy information (continued)

Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses arising from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4 Critical accounting judgment and key source of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

- going concern;
- economic useful lives of plant and equipment.
- fair value measurement.
- impairment of assets.
- determination of lease term and borrowing rates;
- economic useful life of right-of-use assets;
- equity-settled employees' benefits reserve;
- revenue recognition; and
- contingencies.

Going concern

The management reviews the financial position on a periodical basis and assess the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the management ensures that there is adequate financial support to fund the requirements and to ensure the going concern status of the Company.

Economic useful lives of plant and equipment

The Company's plant and equipment are depreciated on a straight-line basis over their economic useful lives. Economic useful lives of plant and equipment are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

4 Critical accounting judgment and key source of estimation uncertainty (continued)

Fair value measurement

The Company determines the fair value of financial instruments that are not quoted, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In this regards, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted);
Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item and transfers of items between levels are recognised in the period they occur.

The financial assets and liabilities of the Company are initially recorded at fair value and subsequently re-measured at amortised cost.

Impairment of assets

Financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its trade receivables and FVTPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further, with respect to amounts due from related parties, the Company applies the full three stage approach taking into consideration whether there has been a significant increase in credit risk. In addition, with respect to its bank balances, the amounts are deposited with reputable banks with low credit risk.

During the year ended 31 March 2024, in the opinion of the management, no allowance amount is required on impaired trade receivables (2023: BD373). Bank balances are not impaired as at 31 March 2024 (2023: BDNil)

Inventories

The Company also creates allowance for obsolete and slow-moving inventories. At 31 March 2024, in the opinion of the Company's management, an allowance of BD78,081 is required for obsolete and slow-moving items (2023: BD24,379). Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the statement of financial position date to the extent that such events confirm conditions existing at the end of the reporting period.

4 Critical accounting judgment and key source of estimation uncertainty (continued)

Impairment of assets (continued)

Other non-financial assets

Other non-financial assets (excluding inventories) are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs").

Impairment changes are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

The Company exercises judgment in determining whether a revenue transaction is recognised at a point in time or over time taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Determination of lease term and the borrowing rates for leases

In case where the Company is a lessee, the Company's management exercises judgment in determining if it is reasonably certain to exercise the lease options to extend or terminate the lease at the commencement as well as during the lease term. The carrying value of lease liabilities are revised based on certain variable elements of the future lease payments like rates or index. Determination of incremental borrowing rates used to determine the carrying value of lease liabilities and the discount rates used to determine the carrying value of right-of-use of lease rights involve, to certain extent, management estimates. Any changes to management estimate may have an impact on the term as well as the carrying values of the lease assets and liabilities.

Economic useful life of right-of-use assets

Right-of-use assets are amortised over their economic useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of profit or loss in specific periods.

The Company's right-of-use assets are amortised on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Economic useful lives of right-of-use assets are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

Equity-settled employees' benefits reserve

In determining the fair value of share-based payments and the related charges to the profit or loss, certain assumptions have to be made about future events and market conditions. In particular, judgments were made about the likely number of options that will vest, and the fair value of each option granted. The fair value was determined using a valuation model which is dependent on further estimates, including the Redington India Limited future dividend policy, risk-free interest rate and the timing with which options will be exercised and the future validity in the price of the options.

4 Critical accounting judgment and key source of estimation uncertainty (continued)

Revenue recognition

The Company exercises judgment in determining whether a revenue transaction is recognised at a point in time or over time taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

5 Plant and equipment

	Furniture and fixtures	Office equipment	Computers and equipment	Total
Cost				
At 31 March 2022	-	-	52	52
Additions during the year	3,584	1,100	3,749	8,433
At 31 March 2023	3,584	1,100	3,801	8,485
Additions during the year	271	160	1,790	2,221
Disposals during the year	(271)	-	(1,732)	(2,003)
At 31 March 2024	3,584	1,260	3,859	8,703
Accumulated depreciation				
At 31 March 2022	-	-	4	4
Charge for the year (Note 17)	509	103	385	997
At 31 March 2023	509	103	389	1,001
Charge for the year (Note 17)	722	380	1,306	2,408
On disposals	(5)	-	(390)	(395)
At 31 March 2024	1,226	483	1,305	3,014
Net book amount				
At 31 March 2024	2,358	777	2,554	5,689
At 31 March 2023	3,075	997	3,412	7,484

The Company operates from premises leased at an annual rent of BD3,930 (2023: BD4,400 per annum).

6 Right of use of assets

	31 March 2024	31 March 2023
Cost		
Closing balance	12,547	12,547
Accumulated amortisation		
Opening balance	6,622	2,440
Charge for the year (Note 17)	3,419	4,182
Closing balance	10,041	6,622
Carrying value		
At 31 March	2,506	5,925

6 Right of use of assets (continued)

Right-of-use assets represents premises, taken on lease obtained by the Company at Manama, Kingdom of Bahrain, for the purpose of office.

7 Inventories

	31 March 2024	31 March 2023
Inventories	1,710,283	1,245,634
Allowance for slow-moving and obsolete inventories	(78,081)	(24,379)
	1,632,202	1,221,255
Goods-in-transit	740	372
	1,632,942	1,221,627

Movement in allowance for slow moving and obsolete inventories is as follows:

	31 March 2024	31 March 2023
Opening balance	24,379	-
Allowance for slow-moving and obsolete inventories (Note 17)	53,702	24,379
Closing balance	78,081	24,379

8 Trade and other receivables

	31 March 2024	31 March 2023
Trade receivables	1,700,211	1,072,767
Allowance for impaired trade receivables	-	(373)
	1,700,211	1,072,394
VAT receivables	45,982	12,026
Amounts due from related parties (Note 14)	15,916	-
Advances to suppliers	211,889	7,028
Prepayments and other receivables	3,110	1,052
	1,977,108	1,092,500

Trade receivables are generally on 30 to 60 days credit terms and are mainly denominated in Bahrain Dinars.

In the opinion of the Company's management, the fair values of the trade and other receivables are not expected to be significantly different from their carrying values classified at amortised cost.

The Company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected credit loss allowances for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

8 Trade and other receivables (continued)

The expected loss rates are based on the Company's historical credit losses experienced over a number of years prior to the year end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product (GDP) and inflation rate as the key macroeconomic factors in the countries where the Company operates.

The movement in allowance for impaired trade receivables is as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	373	-
Allowance during the year (Note 17)	-	373
Excess allowance reversed during the year	(373)	-
Closing balance	-	373

At 31 March 2024 and 2023, the lifetime expected loss allowance for trade receivables is as follows:

31 March 2024	0-30 days overdue	31-60 Days overdue	61-90 days overdue	91-180 days overdue	181-360 days overdue	361+ days overdue	Total
Expected loss rate	0%	0%	0%	0%	0%	0%	
Gross trade receivables*	1,670,601	29,610	-	-	-	-	1,700,211
Loss allowance	-	-	-	-	-	-	-

31 March 2023	0-30 days overdue	31-60 days overdue	61-90 days overdue	91-180 days overdue	181-360 days overdue	361+ days overdue	Total
Expected loss rate	0%	0%	0%	0%	100%	0%	
Gross trade receivables*	916,055	122,821	24,841	13,473	373	-	1,077,563
Loss allowance	-	-	-	-	373	-	373

9 Bank balance

	31 March 2024	31 March 2023
Current account balance with a bank	249,885	612,920

The current account balance with a bank are non-interest bearing.

10 Share capital

In accordance with the Company's Deed of Association, the authorised, issued and fully paid-up share capital of the Company is BD50,000, comprising of 500 shares of BD100 each (2023: 500 shares of BD100 each).

10 Share capital (continued)

The shareholding pattern of the Company as at 31 March 2024 and 2023 was as follows:

	Number of shares	Percentage of ownership interest	Amount
Middle East Holding Company Limited	255	51%	25,500
Redington Gulf F.Z.E.	245	49%	24,500
	500	100%	50,000

11 Reserves

(a) Statutory reserve

In accordance with the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve account until such time as a minimum of 50% of the share capital is set aside. An amount of BD4,659 has been transferred to the statutory reserve for the year ended 31 March 2024 (2023: BD4,736). The reserve is not available for distribution except for dividend payment as permitted by Bahrain Commercial Companies Law.

(b) Retained earnings

Retained earnings represents the income earned during the year and prior periods after transferring to all the reserve. The retained earnings is available for distribution as decided by the Company's shareholders.

12 Employees' terminal benefits

Local employees

The Company did not employ any Bahraini nationals during the year ended 31 March 2024. Accordingly, no contribution has been made towards the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 March 2024.

Expatriate employees

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	31 March 2024	31 March 2023
Opening balance	16,413	322
Accruals for the year	5,325	1,975
Payments during the year	(1,254)	-
Transferred from a related party (Note 14)	-	13,048
Net interest cost (Note 18)	2,076	39
Actuarial (gain)/loss on obligation	(1,908)	1,029
Closing balance	20,652	16,413
The number of staff employed by the Company	7	6

12 Employees' terminal benefits (continued)

Principal assumptions used for purposes of the actuarial valuation:

	31 March 2024	31 March 2023
Discount rate	12.20%	12.7%
Salary escalation rate	12.20%	12.7%
Mortality rate	Per AM (80) table	Per AM (80) table
Withdrawal rate	4%	5%

The sensitivity analysis has been determined based on the exposure to discount rates, salary escalation rate, mortality rate and withdrawal rate. The sensitivity rate applied by the Company to ascertain the impact in one of the actuarial assumptions, keeping other assumptions constant, on the defined benefit obligation is as follows:

	Increase/ (decrease) 31 March 2024	Increase/ (decrease) 31 March 2023
Increase of 1% in assumptions		
Discount rate	(18,646)	(1,616)
Salary escalation rate	23,066	1,948
Decrease of 1% in assumptions		
Discount rate	22,945	1,850
Salary escalation rate	(18,513)	(1,723)

13 Trade and other payables

	31 March 2024	31 March 2023
Trade payables	715,403	702,065
Advance received from customers	44,573	1,020
Provision for leave salary and air passage	7,223	3,944
Accruals and other payables	39,904	35,518
	807,103	742,547

Trade payables are normally settled within 30 to 90 days from the supplier's invoice date.

In the opinion of the Company's management, the fair value of the trade and other payables are not significantly different from their carrying values as financial liabilities measured at amortised cost.

14 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the shareholders, Directors, key management personnel and their close family members and such other companies over which the Company or its shareholders, Directors, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management and are at arm's length basis.

A summary of the related party transactions during the year are as follows:

Name of related party	Nature of transaction	Year ended 31 March 2024	Year ended 31 March 2023
Redington Gulf F.Z.E (U.A.E.)	Revenue (Note 16)	3,521,672	3,742,276
Redington Gulf F.Z.E (U.A.E.)	Purchases	256,614	246,844
Redington Gulf F.Z.E (U.A.E.)	Interest (Note 18)	12,156	-
Redington Gulf F.Z.E (U.A.E.)	Transfer of employees from a related party (Note 12)	-	13,048
Redington Gulf F.Z.E (U.A.E.)	Backend support	863,397	-

Amounts due from related parties (Note 8)	31 March 2024	31 March 2023
Entities under common control		
Ensure Gulf F.Z.E., United Arab Emirates	15,112	-
Redington Gulf and Company L.L.C.	804	-
	15,916	-

Amounts due to a related party	31 March 2024	31 March 2023
Entity under common control		
Redington Gulf FZE (U.A.E.)	2,882,226	2,068,734

Amounts due to a related party are unsecured, have no fixed repayment terms and are authorised by the Company's management.

The Company has not considered credit losses arising from the Parent Company as the Company's exposure is guaranteed by the shareholders of the Company. Accordingly, no impairment allowance has been created on the carrying value of related party receivables as at 31 March 2024 (2023: BDNil).

15 Lease liabilities

	31 March 2024	31 March 2023
Opening balance	6,108	10,220
Interest expenses (Note 18)	826	328
Lease payments	(3,933)	(4,440)
Closing balances	3,001	6,108
Less: current lease liabilities	(3,001)	(1,832)
Non-current lease liabilities	-	4,276

Maturity analysis - contractual undiscounted cash flows:

	31 March 2024	31 March 2023
Less than one year	3,930	4,440
More than one year and less than five years	-	1,850
Total undiscounted lease	3,930	6,290

16 Revenue

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from sale of computer equipment	11,474,032	5,994,575

	Year ended 31 March 2024	Year ended 31 March 2023
Product type		
Sale of computer equipment	11,474,032	5,994,575
Primary geographical market		
Kingdom of Bahrain	11,474,032	5,994,575
Contract counterparties		
Direct to customers	7,952,360	2,252,299
To related parties (Note 14)	3,521,672	3,742,276
	11,474,032	5,994,575
Timing of revenue recognition		
At a point in time	11,474,032	5,994,575

17 General and administrative expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Staff costs	160,448	87,530
Allowance for slow-moving and obsolete inventories (Note 7)	53,702	24,379
Outward freight charges	46,402	25,471
Advertising expenses	35,421	4,032
Consultancy fees	7,476	9,281
Insurance expenses	3,540	1,920
Amortisation on right-of-use of assets (Note 6)	3,419	4,182
Depreciation on plant and equipment (Note 5)	2,408	997
Transportation expenses	1,800	2,432
Communication expenses	551	569
Allowance for impaired trade receivables (Note 8)	-	373
Repair and maintenance expenses	-	69
Other administrative expenses	22,364	16,594
	337,531	177,829

18 Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest to related party (Note 14)	12,156	-
Net interest cost on actuarial valuation (Note 12)	2,076	39
Interest on lease liabilities (Note 15)	826	328
	15,058	367

19 Financial assets and liabilities and risk management

Financial assets and liabilities carried on the statement of financial position include bank balances, trade and other receivables (excluding prepayments) and trade and other payables (excluding employees' benefits). The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 March 2024 and 2023.

19 Financial assets and liabilities and risk management (continued)

Capital management (continued)

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, lease liabilities, amounts due to a related party and trade and other payables less bank balances. Capital includes share capital and reserves attributable to the shareholders of the Company.

	31 March 2024	31 March 2023
Lease liabilities	3,001	6,108
Amounts due to a related party	2,882,226	2,068,734
Trade and other payables	807,103	742,547
Less: bank balances	(249,885)	(612,920)
Net debt	3,442,445	2,204,469
Share capital	50,000	50,000
Statutory reserve	10,427	5,768
Retained earnings	93,842	51,915
Other reserves	879	(1,029)
Total capital	155,148	106,654
Total capital and net debt	3,597,593	2,311,123
Gearing ratio	95.69%	95.39%

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables (excluding prepayments);
- Bank balances;
- Lease liabilities;
- Trade and other payables (excluding employees' benefits); and
- Amounts due to a related party.

A summary of the financial instruments held by category is provided below:

Financial assets at amortised cost	31 March 2024	31 March 2023
Trade and other receivables (excluding prepayments)	1,762,109	1,084,420
Bank balances	249,885	612,920
Total financial assets	2,011,994	1,697,340

Financial liabilities at amortised cost	31 March 2024	31 March 2023
Lease liabilities	13,849	6,108
Amounts due to a related party	2,882,226	2,068,734
Trade and other payables (excluding employees' benefits)	755,307	738,603
Total financial liabilities	3,651,382	2,813,445

19 Financial assets and liabilities and risk management (continued)

Risk management is carried out by the finance department of the Company under policies approved by the Directors. The Company's finance department evaluates financial risks in close co-operation with the Company's operating units. The Director provides principles for overall risk management, as well as policies covering specific areas.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless stated otherwise in this note.

The Company is exposed; to through its operations, to the following financial risks: credit risk, market risk, liquidity risk and fair value risk.

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. Concentrations of credit risk with respect to trade receivables are limited due to the Company's large number of customers that have a variety of end markets in which they sell. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables.

The Company does not enter into derivatives to manage risk, although in certain cases may take steps to mitigate such risks if it is sufficiently concentrated. Quantitative disclosures of the risk exposure in relation to assets are set out below. Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in Note 8 to these financial statements.

	At 31 March 2024	
Financial assets at amortised cost	***Carrying value***	***Maximum exposure***
Trade and other receivables (excluding prepayments)	1,762,109	1,700,211
Bank balances	249,885	249,885
Total financial assets	2,011,994	1,950,096

	At 31 March 2023	
Financial assets at amortised cost	***Carrying value***	***Maximum exposure***
Trade and other receivables (excluding prepayments)	1,089,216	1,072,394
Bank balances	612,920	612,920
Total financial assets	1,702,136	1,690,110

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in interest rate, currency rate, and equity price risk. The Company closely monitors the market forces and suitably revises the strategy to minimise the market risk.

Currency rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign currency transactions are generally in United States Dollars. The Bahrain Dinar is pegged to the United States Dollar, thus currency rate risk is assessed as minimal by management.

19 Financial assets and liabilities and risk management (continued)

Interest rate risk is the risk that the value of financial asset or liability will fluctuate due to changes in market interest rates. The Company's assets and liabilities, in the opinion of the management, are not sensitive to interest rate risk.

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity risk is managed by monitoring on a regular basis to help ensure that sufficient funds are available, including unutilised credit facilities with banks, to meet all liabilities as they fall due.

Fair value measurement

Fair value is the amount 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.

Financial instruments not measured at fair value on recurring basis include trade and other receivables (excluding prepayments), bank balances, amounts due to a related party and trade and other payables (excluding employees' benefits). In the opinion of the management, due to the short-term nature of these financial instruments, the fair value of these financial instruments is not significantly different from their carrying amounts as at 31 March 2024 and 2023.

20 Events after reporting period

There were no significant events subsequent to 31 March 2024 and occurring before the date of the report that are expected to have a significant impact on these financial statements.