ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS L.L.C.

FINANCIAL STATEMENTS AND REPORTS

YEAR ENDED 31 MARCH 2024

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ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS L.L.C.

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The manager submits his report and financial statements for the year ended 31 March 2024. I approve the financial statements and confirm that I am responsible for these, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Results and dividends
The profit for the year amounted to AED 1,100,836. The manager does not recommend any dividend for the year ended 31 March 2024.

Review of the business
The Company's principal activity is trading in computer and requisites and rendering maintenance and value added services related to computer.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021.

Events since the end of the year
There are no significant events since the end of the year.

Partners and their interests
The partners at 31 March 2024 and their interests as at that date in the share capital of the Company were as follows:

Name	No. of shares	AED
Bader Naser Saif Abood Alkaabi	765	76,500
Ensure Gulf FZE	735	73,500
	1,500	**150,000**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2024 and it is proposed that they be re-appointed for the year ending 31 March 2025.

Manager
29 April 2024

انشور ميدل ايست للحلول التكنولوجية ذ.م.م
P.O.Box: 52439
Abu Dhabi - U.A.E.
ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS LLC

PKF - Abu Dhabi Branch
بـيـه كـي إف - ابـوظـبـي
Accountants & business advisers

Suite1501, 15th Floor,
The Blue Tower,
Sh. Khalifa Street,
P.O. Box 7479, Abu Dhabi, UAE.

Tel +9712 6261715
Email abudhabi@pkfuae.com
www.pkfuae.com

INDEPENDENT AUDITOR'S REPORT

To the Partners of ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS L.L.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS L.L.C.** (the "Company"), which comprise the statement of financial position as at 31 March 2024, 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 financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates (UAE), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended 31 March 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on 8 September 2023.

Other Information

Management is responsible for the other information. Other information comprises the Manager's report as required by the UAE Federal Law No. (32) of 2021, which we obtained prior to the date of this auditor's report. The other information 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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of the 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 for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the UAE Federal Law No. (32) of 2021 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 has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT
(continued)

- 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 gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements
As required by the UAE Federal Law No. (32) of 2021, we report that:

i) we have obtained all the information we considered necessary for the purpose of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Manager's report is consistent with the books of account of the Company;

v) The Company has not purchased or invested in any shares during the financial year ended 31 March 2024;

vi) note 12 to the financial statements reflects material related parties transactions and balances, and the terms under which they were conducted;

vii) the Company has not made any social contributions during the financial year ended 31 March 2024; and

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INDEPENDENT AUDITOR'S REPORT
(continued)

viii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2024 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2024 and there are no penalties imposed on the Company.

For PKF

S. D. Pereira
Partner
Registration no. 552
Abu Dhabi
United Arab Emirates
30 April 2024

ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS L.L.C.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	2024 AED	2023 AED
Assets			
Non-current assets			
Property, plant and equipment	6	**27,122**	2,335
Right-of-use asset	7	**189,101**	381,384
Intangible assets	8	**--**	5,197
		216,223	388,916
Current assets			
Inventories	9	**1,459,894**	1,151,943
Trade and other receivables	10	**3,803,554**	3,489,274
Other current assets	11	**44,042**	82,274
Due from related parties	12	**3,117,554**	5,830,535
Cash and cash equivalents	13	**5,437**	21,530
		8,430,481	10,575,556
Total assets		**8,646,704**	10,964,472
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**150,000**	150,000
Statutory reserve		**75,000**	75,000
Re-measurement of defined benefit obligation		**3,740**	10,758
Retained earnings		**3,846,988**	2,746,152
		4,075,728	2,981,910
Non-current liabilities			
Provision for staff end-of-service benefits	15	**164,500**	129,805
Lease liabilities	16	**--**	192,012
		164,500	321,817
Current liabilities			
Trade and other payables	17	**1,255,785**	1,086,067
Other current liabilities	18	**317,537**	211,580
Due to related parties	12	**2,641,142**	6,167,989
Lease liabilities	16	**192,012**	195,109
		4,406,476	7,660,745
Total liabilities		**4,570,976**	7,982,562
Total equity and liabilities		**8,646,704**	10,964,472

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

Approved and authorised for issue by the partners on 29 April 2024 and signed on their behalf by Mr. Sriram Ganeshan.

For **ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS L.L.C**

MANAGER

ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS LLC
P.O.Box: 52439
Abu Dhabi - U.A.E.

ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS L.L.C

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 AED	2023 AED
Revenue	20	18,165,274	12,710,115
Purchases of inventory (including direct costs)		(13,102,900)	(8,517,716)
Changes in inventories		319,322	782,566
Gross profit		5,381,696	4,974,965
Staff costs	21	(1,739,794)	(1,237,238)
Depreciation and amortization	22	(204,562)	(200,967)
Other operating expenses	23	(2,311,755)	(2,603,587)
Impairment of trade receivables (net)	10	(13,368)	(19,152)
Finance costs	24	(11,381)	(15,112)
PROFIT FOR THE YEAR		1,100,836	898,909
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (loss)/gain on defined employee benefit plan		(7,018)	15,793
Other comprehensive income for the year		(7,018)	15,793
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,093,818	914,702

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

		Share capital	Statutory reserve	Re-measurement of defined benefit obligation	Retained earnings	Total
		AED	AED	AED	AED	AED
Balance at 1 April 2022		150,000	75,000	(5,035)	1,847,243	2,067,208
Comprehensive income						
- Profit for the year	(a)	--	--	--	898,909	898,909
- Other comprehensive income						
Items that will not be reclassified subsequently to profit and loss:						
Actuarial loss on defined employee benefit plan	(b)	--	--	15,793	--	15,793
Total comprehensive income for the year	(a+b)	--	--	15,793	898,909	914,702
Balance at 31 March 2023		150,000	75,000	10,758	2,746,152	2,981,910
Comprehensive income						
- Profit or the year	(c)	--	--	--	1,100,836	1,100,836
- Other comprehensive income						
Items that will not be reclassified subsequently to profit and loss:						
Actuarial gain on defined employee benefit plan	(d)	--	--	(7,018)	--	(7,018)
Total comprehensive income for the year	(c+d)	--	--	(7,018)	1,100,836	1,093,818
Balance at 31 March 2024		**150,000**	**75,000**	**3,740**	**3,846,988**	**4,075,728**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 AED	2023 AED
Cash flows from operating activities		
Profit for the year	1,100,836	898,909
Adjustments for:		
Depreciation of property, plant and equipment	7,082	909
Depreciation of right-of-use assets	192,283	192,283
Amortisation of intangible assets	5,197	7,775
Finance costs	11,381	15,112
Impairment of trade receivables	13,368	19,152
Provision for obsolete inventories	11,371	3,352
Provision for staff end-of-service benefits	21,187	19,644
	1,362,705	1,157,136
Changes in:		
- Inventories	(319,322)	-785,916
- Trade and other receivables	(327,648)	(1,745,134)
- Other current assets	38,232	(25,135)
- Trade and other payables	169,718	820,308
- Other current liabilities	105,957	(7,916)
Staff end-of service benefits paid	--	(45,418)
Net cash from/(used in) operating activities	1,029,642	(632,075)
Cash flows from investing activities		
Payments for property, plant and equipment	(31,869)	--
Receipts from related parties (net)	2,712,981	3,761,273
Net cash from investing activities	2,681,112	3,761,273
Cash flows from financing activities		
Payments to related parties (net)	(3,526,847)	(2,910,027)
Payment of lease liabilities	(200,000)	(200,000)
Net cash used in financing activities	(3,726,847)	(3,110,027)
Net (decrease)/increase in cash and cash equivalents	(16,093)	19,171
Cash and cash equivalents at beginning of year	21,530	2,359
Cash and cash equivalents at end of year (note 13)	5,437	21,530

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS L.L.C** (the "Company") with commercial license No. CN-2202454 is a limited liability company registered in Abu Dhabi, United Arab Emirates, in accordance with the provisions of UAE Federal Law No (2) of 2015 (repealed by UAE Federal Law No. (32) of 2021) on Commercial Companies. The registered address is P.O. Box 52439, Abu Dhabi, UAE. The Company was registered on 10 October 2016.

b) The Company's principal activity as per the commercial license is trading in computer systems and software, tools and accessories and computer outfit trading, computers repairs and maintenance, computer infrastructure establishment, institution and maintenance and onshore and offshore oil and gas fields and facilities services.

c) The parent company is Ensure Gulf FZE, a company registered in Jebel Ali Free Zone, Dubai, and the ultimate parent company is Redington (India) Limited, India.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2023, and the requirements of UAE Federal Law No. (32) of 2021.

b) **Basis of measurement**

The financial statements are prepared using historical cost. Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

d) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

e) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current period

The following amendments, improvements and interpretations which became effective for current period, did not have any significant impact on the Company's financial statements:

- IFRS 17 – Insurance Contracts
- Amendments to IFRS 17 – Insurance Contracts
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules

New and revised IFRSs in issue but not yet effective

The following International Financial Reporting Standard, amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 1 – Non-current Liabilities with Covenants (1 January 2024)
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement (1 January 2024)
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (1 January 2024)
- Amendments to IAS 21 – Lack of Exchangeability (1 January 2025)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold to an associate or a joint venture (The IASB postponed the effective date of this amendment indefinitely - Early adoption is permitted)
- IFRS S1 General Requirements for Disclosure of Sustainability Related Financial Information and IFRS S2 Climate Related Disclosures (Effective upon adoption by applicable regulatory)

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of furniture, fixtures and office equipment less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful life of 2 - 3 years.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other income/administrative expenses' in profit or loss.

b) **Intangible asset**

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of computer software is amortised over 3 years.

An assessment of amortisation method and useful lives is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the amortisation charge.

c) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling prices less any estimated cost of completion and disposal.

d) **Staff benefits**

The Company operates a defined benefit plan. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Company's gratuity plan is unfunded, the defined benefit obligation of which is determined annually by a qualified actuary using the projected unit credit method at each reporting date. Re-measurement of defined benefit obligation, which comprises of actuarial gains and losses are recognised in other comprehensive income in the period in which they occur. The company determines the net interest expenses on the net defined benefit obligation, taking into account any changes in the defined benefit liability during the period as a result of contribution and benefit payments. Net interest expenses related to defined benefit plan are recongised in "finance cost" in the statement of profit or loss.

Provision is also made for employees' entitlement to annual leave and air fare for eligible employees as per the policy of the Company. Provision relating to annual leave and air fare is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

e) **Statutory reserve**

In accordance with the U.A.E. Federal Law No. (32) of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% of net profit until the reserve equals 50% of the share capital. The partners may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

f) **Revenue recognition**

The Company is in the business of trading in computers and requisites, computer infrastructure establishment and repairs and maintenance.

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

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

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

2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods
The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Repairs and maintenance and other services
Revenue from repairs and maintenance and other services are recognised at a point in time on completion of the services rendered to the customer.

Revenue from annual maintenance contracts
Revenue from annual maintenance contracts are recognised on a straight line basis over the period of contract.

g) **Leases**

As a lessee

The Company has taken office premise on lease. Rental contracts are typically made for fixed periods of 1 year but may have extension options. The management of the Company has the intention to continue its operations in the same premises for a longer period. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial costs; and
- restoration costs.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

h) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and balance in bank current accounts.

i) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

j) **Provisions**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

k) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the Federal Decree-Law No. (08) of 2017. Irrecoverable VAT for which Company cannot avail the credit is charged to the statement of profit or loss or included in costs of non-current assets. The Company files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT Payable are offset and the net amount is reported in the statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

l) **Deferred tax**

Deferred tax is recognised on temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

m) **Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

n) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; debt investment at fair value through other comprehensive income, equity investment at fair value through other comprehensive income; or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment is performed at an instrumental level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of trade and other receivables, due from related parties and cash and cash equivalents.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost
Financial liabilities at amortised cost comprise of trade and other payables, due to related parties and lease liabilities.

Impairment of financial assets
The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Bank balances, amounts due from related parties and other receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

o) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment and intangible assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. The Company considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

The right-of-use assets and lease liabilities recognised are mainly determined based on the Company's expected lease renewal terms derived primarily from the Company's long-term business plans.

Discounting of lease payments

The lease payments are discounted using the ultimate parent company's incremental borrowing rate ("IBR") of 4.16% per annum, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the transition date, using borrowing rates that certain financial institutions would charge the Company against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Company's specific risk, term risk and underlying asset risk. Majority of the leases are present in the UAE and accordingly no adjustment for the economic environment was deemed required.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

The Company determined that both the trading and services are capable of being distinct. The fact that the Company regularly sells both goods and services on a stand-alone basis indicates that the customer can benefit from both products on their own.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that revenue from repairs and maintenance and other services are to be recognised at a point in time on completely rendering the services. Revenue from annual maintenance contracts are recognized on a straight time basis over the duration of contract and hence recognized over time.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 1,497,720 (previous year AED 1,178,398) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment
Assessments of net recoverable amounts of property, plant and equipment and intangible assets are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets
The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 3(n).

Deferred tax
Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Staff end-of-service benefits
The Company computes the provision for the liability to staff end-of-service benefits stated at AED 164,500 (previous year AED 129,805) covering all eligible employees. The amount of provision in the current year is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include determination of discount rate; future salary increases, mortality and withdrawal rate. Due to the complexity of valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment AED
Cost	
At 1 April 2022 and 31 March 2023	326,439
Additions	31,869
At 31 March 2024	**358,308**
Accumulated depreciation	
As at 1 April 2022	323,195
Depreciation	909
At 31 March 2023	324,104
Depreciation	7,082
At 31 March 2024	**331,186**
Carrying amount	
At 1 April 2022	3,244
At 31 March 2023	2,335
At 31 March 2024	**27,122**

7. RIGHT-OF-USE ASSET

	Right-of-use asset [a] AED
Cost	
At 1 April 2022	753,198
Additions	385,472
At 31 March 2023 and 31 March 2024	**1,138,670**
Accumulated depreciation	
At 1 April 2022	565,003
Depreciation	192,283
At 31 March 2023	757,286
Depreciation	192,283
At 31 March 2024	**949,569**
Carrying amount	
At 1 April 2022	188,195
At 31 March 2023	381,384
At 31 March 2024	**189,101**

a) Right-of-use asset represents leasehold interest in office premise at Burj Al Arab, Hamdan Street, Abu Dhabi. The lease agreement is renewed annually. However, considering the substance of the arrangement the lease has been considered as long-term with an estimated lease period up to 31 March 2025.

8. INTANGIBLE ASSETS

	Computer software AED
Cost	
At 1 April 2022, 31 March 2023 and 31 March 2024	**23,325**
Accumulated amortisation	
At 1 April 2022	10,353
Amortisation	7,775
At 31 March 2023	18,128
Amortisation	5,197
At 31 March 2024	**23,325**
Carrying amount	
At 1 April 2022	12,972
At 31 March 2023	5,197
At 31 March 2024	--

	2024 AED	2023 AED
9. INVENTORIES		
Goods held for sale	**1,497,720**	1,178,398
Less: Provision for obsolete inventories	**(37,826)**	(26,455)
	1,459,894	1,151,943

A reconciliation of the movements in the provision for obsolete inventories is as follows:

	2024 AED	2023 AED
Opening balance	**26,455**	32,584
Provisions made during the year	**11,371**	3,352
Inventories written off	--	(9,481)
Closing balance	**37,826**	26,455

10. TRADE AND OTHER RECEIVABLES

	2024 AED	2023 AED
Trade receivables	**3,861,011**	3,515,544
Less: Allowance for expected credit losses	**(67,227)**	(53,859)
	3,793,784	3,461,685
Deposits	**2,000**	2,000
Other receivables	**7,770**	25,589
	3,803,554	3,489,274

A reconciliation of the movements in the allowance for expected credit losses on trade receivables is as follows:

	2024	2023
	AED	AED
Opening balance	53,859	34,707
Provision made during the year	13,368	19,152
Closing balance	67,227	53,859

11. OTHER CURRENT ASSETS

Prepayments	33,057	52,719
Advance for goods and services	7,297	29,555
VAT receivable (net)	3,688	--
	44,042	82,274

12. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise parent company, fellow subsidiaries and companies under common ownership and/or common management control.

At the reporting date significant balances with related parties were as follows:

	Parent company	Companies under common ownership and common management control	Total 2024	Total 2023
	AED	AED	AED	AED
Due from related parties	2,232,315	885,239	3,117,554	
	4,759,887	1,070,648		5,830,535
Due to related parties	--	2,641,142	2,641,142	
	--	6,167,989		6,167,989

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 25.

Significant transactions with related parties during the year were as follows:

	Parent company	Companies under common ownership and common management control	Total 2024	Total 2023
	AED	AED	AED	AED
Sales	--	5,034,375	5,034,375	
	--	2,138,762		2,138,762
Purchases	--	5,251,258	5,251,258	
	--	4,576,507		4,576,507
Management fees	1,729,501	--	1,729,501	
	2,287,821	--		2,287,821

The Company also receives funds from/provides funds to related parties as working capital facilities free of interest.

	2024	2023
	AED	AED
13. CASH AND CASH EQUIVALENTS		
Cash on hand	2	5
Bank balances in current accounts	5,435	21,525
	5,437	21,530

14. SHARE CAPITAL

	2024	2023
Issued and paid up:		
1,500 shares of AED 100 each	150,000	150,000

The partners at 31 March 2024 and their interests as at that date in the share capital of the Company were as follows:

Name	No. of shares	AED
Bader Naser Saif Abood Alkaabi	765	76,500
Ensure Gulf FZE	735	73,500
	1,500	150,000

15. PROVISION FOR STAFF END-OF-SERVICE BENEFITS

The amount included in the statement of financial position in respect of defined benefit plan is as follows:

	2024	2023
	AED	AED
Present value of unfunded obligation	164,500	129,805

Movements in the present value of defined employee benefits obligation are as follows:

	2024 AED	2023 AED
Opening obligation	129,805	165,897
Service cost	21,187	19,644
Interest cost	6,490	5,475
Benefits paid	--	(45,418)
Actuarial loss/(gain) on obligation	7,018	(15,793)
Closing obligation	164,500	129,805

Expense recognised in profit or loss during the year are as follows:

Service cost (note 21)	21,187	19,644
Interest cost (note 24)	6,490	5,475
	27,677	25,119

(Gain)/loss recognised in other comprehensive income are as follows:

Actuarial loss/(gain) for the current year	7,018	(15,793)

Principal assumptions used for the purpose of actuarial valuation are as follows:

Discount rate	4.95%	5%
Salary escalation rate (per annum) – 1 year	4.95%	5%
Mortality rate (table)	Per AM (80) table	Per AM (80) table
Withdrawal rate	17%	13%

In accordance with the provisions of IAS 19 Employee Benefits, the management has carried out an exercise to assess the present value of its obligations as at 31 March 2024, using the projected unit credit method, in respect of employees' end-of-service benefits payable under the local labour laws. Under this method, an assessment has been made of an employee's expected service life with the Company and the expected basic salary as at the date of leaving the service.

16. LEASE LIABILITIES

Lease liabilities for long-term lease of office premise	192,012	387,121

Disclosed in the statement of financial position as follows:

Non-current liabilities	--	192,012
Current liabilities	192,012	195,109
	192,012	387,121

A reconciliation of the movements in the lease liabilities is as follows:

	2024	2023
	AED	AED
Opening balance	387,121	192,012
Additions	--	385,472
Finance costs	4,891	9,637
Payments made during the year	(200,000)	(200,000)
Closing balance	192,012	387,121

A maturity analysis of undiscounted lease liabilities is as follows:

0 -3 month	200,000	200,000
1 year – 2 years	--	200,000
Total	200,000	400,000

Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the statement of financial position is as follows:

Lease payments	200,000	400,000
Less: finance cost on leases	(7,988)	(12,879)
Disclosed in the statement of financial position	192,012	387,121

17. TRADE AND OTHER PAYABLES

Trade payables	1,109,173	1,006,924
Accruals	144,236	47,270
Other payables	2,376	31,873
	1,255,785	1,086,067

The entire trade and other payables are due for payment within one year from the reporting date.

18. OTHER CURRENT LIABILITIES

Advance received from customers	272,066	62,467
VAT payable (net)	--	91,181
Accrual for staff benefits	45,471	57,932
	317,537	211,580

19. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the partners with a rate of return on their investment commensurate with the level of risk assumed.

The capital comprises equity funds as presented in the statement of financial position together with amounts due from/due to related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 308 of the UAE Federal Law No. (32) of 2021. The Company has complied with all the capital requirements.

Funds generated from internal accruals together with funds received from related party and net of funds provided to related parties are retained in the business according to the business requirements and to maintain capital at desired levels.

20. REVENUE

The Company generates revenue from the transfer of goods and services over time and at a point in time. The disaggregated revenue from contracts with customers by geographical segments, type of goods/service and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2024 AED	2023 AED
Primary Geographical segments		
- UAE	**18,165,274**	12,710,115
Major goods/service lines		
Trading		
- Computer and requisites	**15,218,186**	6,225,423
Services		
- Repairs and maintenance and other services	**2,234,134**	6,086,964
- Annual maintenance contracts	**712,954**	397,728
	18,165,274	12,710,115
Timing of revenue recognition		
- At a point in time	**17,452,320**	12,312,387
- Over time	**712,954**	397,728
	18,165,274	12,710,115

21. STAFF COSTS

	2024	2023
Staff salaries and benefits	**1,718,607**	1,217,594
Staff end-of-service benefits	**21,187**	19,644
	1,739,794	1,237,238

		2024 AED	2023 AED
22.	**DEPRECIATION AND AMORTIZATION**		
	Depreciation of property, plant and equipment	7,082	909
	Depreciation of right of use asset	192,283	192,283
	Amortisation of intangible assets	5,197	7,775
		204,562	200,967
23.	**OTHER OPERATING EXPENSES**		
	Management fees	1,729,501	2,287,821
	Inventory provision	11,371	3,352
	Transportation expense	75,785	61,745
	Software expenses	--	24,286
	Sponsorship fees	53,687	50,000
	Legal and professional fees	32,208	29,633
	Consultancy charges	290,214	--
	Other expenses	118,989	146,750
		2,311,755	2,603,587
24.	**FINANCE COSTS**		
	On defined employee benefit plan	6,490	5,475
	On lease liabilities	4,891	9,637
		11,381	15,112

25. FINANCIAL INSTRUMENTS

Financial instruments

Classification and fair values

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2024 AED	2023 AED
Financial assets		
Trade and other receivables	3,803,554	3,489,274
Due from related parties	3,117,554	5,830,535
Cash and cash equivalents	5,437	21,530
	6,926,545	9,341,339
Financial liabilities		
Trade and other payables	1,255,785	1,086,067
Due to related parties	2,641,142	6,167,989
Lease liabilities	192,012	387,121
	4,088,939	7,641,177

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade and other receivables, due from related parties, trade and other payables, current lease liabilities and due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair values of non-current lease liabilities is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liabilities, are not materially different from their fair values.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The primary risks to which the business is exposed, which are unchanged from the previous period, comprise credit risks, liquidity risks and market risks (including currency risks and fair value interest rate risks).

The management of the Company reviews policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally cash and cash equivalents, due from related parties and trade and other receivables.

The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade and other receivables taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Amounts due from related parties relate to transactions arising in the normal course of business with minimal credit risk.

At the reporting date, the Company's maximum exposure to credit risk from such receivables situated outside the UAE is as follows:

	Trade receivables		Due from related parties	
	2024	2023	2024	2023
	AED	AED	AED	AED
African countries	--	--	217,458	3,182
Asian countries	3,842,508	3,485,498	741,719	2,375,995
European countries	18,521	28,904	--	--

At the reporting date 41% of trade receivables were due from two customers (previous year 67% was due from three customers).

At the reporting date 92% of amount due from related parties are due from two parties (previous year 99% are due from one related party).

At the reporting date, there is no concentration of credit risk from any particular industry as the Company's customers are from diverse industries.

The Company uses an allowance matrix to measure the expected credit losses of trade receivables, which comprise a number of balances. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from individual customers as at 31 March 2024.

	Loss rate		Gross carrying amount		Loss allowance	
	2024	2023	2024	2023	2024	2023
	%	%	AED	AED	AED	AED
Not past due	0.00%	0.00%	1,728,076	--	--	--
1-30 days past due	0.00%	0.00%	700,805	2,573,932	--	--
31-60 days past due	0.00%	0.00%	431,117	363,675	--	--
61-90 days past due	0.00%	0.00%	528,805	200,984	--	--
More than 90 days past due	14.24%	14.29%	472,225	376,952	67,227	53,859
			3,861,028	3,515,543	67,227	53,859

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates.

	Less than one year		One to five years		Total	
	2024	2023	**2024**	2023	**2024**	2023
	AED	AED	**AED**	AED	**AED**	AED
Trade and other payables	**1,255,785**	1,086,067	**--**	--	**1,255,785**	1,086,067
Due to related parties	**2,641,142**	6,167,989	**--**	--	**2,641,142**	6,167,989
Lease liabilities	**200,000**	200,000	**--**	200,000	**200,000**	400,000
	4,096,927	7,454,056	**--**	200,000	**4,096,927**	7,654,056

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

The Company is not exposed to any significant interest rate risk.

26. **COMPARATIVE INFORMATION**

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to those of the current year.

27. **CORPORATE TAX**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the 'CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law is effective for the financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

For the Company, current taxes shall be accounted for as appropriate in the financial statements for the accounting period beginning 1 April 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended 31 March 2024.

Based on the information available to date, the Company has assessed the deferred tax implications for the year ended 31 March 2024 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that deferred tax implications are not expected to be material.

The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

For **ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS L.L.C.**

Suvain

MANAGER

انشور ميدل ايست للحلول التكنولوجية ذ.م.م
P.O.Box: 52439
Abu Dhabi - U.A.E.
ENSURE MIDDLE EAST TECHNOLOGY SOLUTIONS LLC