Redington Gulf FZE
Jebel Ali Free Zone
Dubai - United Arab Emirates

Report and separate financial statements
for the year ended 31 March 2024

Redington Gulf FZE

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INDEPENDENT AUDITOR'S REPORT

The Shareholder
Redington Gulf FZE
Jebel Ali Free Zone
Dubai
United Arab Emirates

Report on the Separate Financial Statements

Opinion

We have audited the separate financial statements of **Redington Gulf FZE - Jebel Ali Free Zone, Dubai, United Arab Emirates** (the "Establishment") which comprise the separate statement of financial position as at 31 March 2024, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended and notes to the separate financial statements including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with other ethical requirements that are relevant to our audit of the Establishment's separate financial statements in the United Arab Emirates 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.

Responsibilities of Management for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Establishment'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 Establishment or to cease operations, or has no realistic alternative but to do so.

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

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Deloitte.

INDEPENDENT AUDITOR'S REPORT
to the Shareholder of Redington Gulf FZE (continued)

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 ISA 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 separate financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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 Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the separate 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 report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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

Further, we report that the separate financial statements of the Establishment comply, in all material respects, with the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016.

Deloitte & Touche (M.E.)

Cynthia Corby
Registration No.: 995
7 June 2024
Dubai
United Arab Emirates

Separate Statement of Financial Position
as at 31 March 2024

	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Intangible asset	6	**6,529,804**	7,561,603
Property and equipment	7	**8,938,111**	11,271,367
Right-of-use-assets	17	**4,139,712**	5,918,862
Investments in subsidiaries	8	**136,954,059**	135,608,380
Loan to subsidiaries	9	**180,952,938**	232,367,612
Total non-current assets		**337,514,624**	392,727,824
Current assets			
Inventories	10	**649,648,458**	784,156,411
Due from related parties	9	**1,242,105,044**	1,406,437,698
Trade and other receivables	11	**701,759,202**	597,995,379
Derivative financial asset		**-**	1,773,436
Other financial assets	12	**2,612,050**	2,612,050
Cash and cash equivalents	13	**82,525,315**	152,631,184
Total current assets		**2,678,650,070**	2,945,606,158
Total Assets		**3,016,164,693**	3,338,333,982
EQUITY and LIABILITIES			
Equity			
Share capital	14	**12,000,000**	12,000,000
Additional paid-in capital		**96,173,863**	96,173,863
Capital reserve		**191,142,869**	171,681,370
Cumulative translation adjustment		**(2,984,462)**	(2,866,170)
Equity settled employee benefit reserve	23	**13,778,412**	13,778,412
Re-measurement of retirement benefit obligation		**70,066**	(378,102)
Retained earnings		**1,005,489,842**	1,100,579,984
Total Equity		**1,315,670,590**	1,390,969,357
Non-current liabilities			
Provision for employees' end-of-service indemnity	15	**10,153,856**	11,732,915
Lease liabilities	17	**2,613,092**	2,776,055
Total non-current liabilities		**12,766,948**	14,508,970
Current liabilities			
Due to related parties	9	**29,457,394**	56,654,553
Bank borrowings	19	**7,518,986**	337,762,008
Income tax payable	18 (a)	**8,110,321**	7,426,764
Trade and other payables	16	**1,640,845,587**	1,527,652,174
Lease liabilities	17	**1,794,867**	3,360,156
Total current liabilities		**1,687,727,155**	1,932,855,654
Total Liabilities		**1,700,494,103**	1,947,364,624
Total Equity and Liabilities		**3,016,164,693**	3,338,333,981

Arun Srinivasan
Director

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

Separate Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 March 2024

	Notes	2024 AED	2023 AED
Revenue		**7,448,320,020**	7,805,881,334
Other income - net	20	**96,803,007**	68,807,061
Total income		**7,545,123,027**	7,874,688,395
Changes in inventories of finished goods		**(7,144,551,009)**	(7,428,611,900)
Employee benefits		**(78,183,487)**	(86,340,542)
Finance costs	22	**(17,374,646)**	(14,321,258)
Depreciaton and Amortisation Expenses	21	**(7,748,574)**	(7,972,871)
Other expenses - net	23	**(216,540,459)**	(141,625,533)
Total expenses		**(7,464,398,175)**	(7,678,872,104)
Profit before taxation		**80,724,852**	195,816,291
Income tax expense		**(9,657,778)**	(6,151,984)
Profit for the year		**71,067,074**	189,664,307
Other comprehensive income/(loss) for the year			
Items that may be reclassified subsequently to profit or loss			
Transfer to cumulative translation adjustment reserve		**(118,292)**	(1,980,568)
Re-measurement of defined benefit obligation		**448,168**	452,120
Total Comprehensive Income for the Year		**71,396,950**	188,135,859

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

Separate statement of Changes in Equity
for the year ended 31 March 2024

	Share capital AED	Additional paid-in Capital AED	Capital reserve AED	Cumulaive Translation adjustment reserve AED	Equity-settled employee benefits reserve AED	Re-measurement of retirement benefit obligation AED	Retained Earnings AED	Total AED
Balance as at 1 April 2022	12,000,000	96,173,863	171,681,370	(885,602)	13,778,412	(830,222)	992,181,014	1,284,098,835
Other comprehensive income for the year	-	-	-	(1,980,568)	-	-	-	(1,980,568)
Re-measurement of retirement benefit obligation (Note 15)	-	-	-	-	-	452,120	-	452,120
Profit for the year	-	-	-	-	-	-	189,664,307	189,664,307
Total comprehensive (loss)/income for the year	-	-	-	(1,980,568)	-	452,120	189,664,307	188,135,859
Dividend (Note 28)	-	-	-	-	-	-	(81,265,337)	(81,265,337)
Balance at 31 March 2023	12,000,000	96,173,863	171,681,370	(2,866,170)	13,778,412	(378,102)	1,100,579,984	1,390,969,357
Other comprehensive income for the year	-	-	-	(118,292)	-	-	-	(118,292)
Re-measurement of retirement benefit obligation (Note 15)	-	-	-	-	-	448,168	-	448,168
Gain on Disposal of Subsidiary	-	-	19,461,499	-	-	-	-	19,461,499
Profit for the year	-	-	-	-	-	-	71,067,074	71,067,074
Total comprehensive (loss)/income for the year	**12,000,000**	**96,173,863**	**191,142,869**	**(2,984,462)**	**13,778,412**	**70,066**	**1,171,647,058**	**1,481,827,806**
Dividend (Note 28)	-	-	-	-	-	-	(166,157,216)	(166,157,216)
Balance at 31 March 2024	**12,000,000**	**96,173,863**	**191,142,869**	**(2,984,462)**	**13,778,412**	**70,066**	**1,005,489,842**	**1,315,670,590**

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

Separate Statement of Cash Flows
for the year ended 31 March 2024

	Note	2024 AED	2,023 AED
Cash flows from operating activities			
Profit before taxation		**80,724,852**	195,816,291
Adjustments for:			
Current service cost on employees' end-of-service indemnity	15	**163,951**	1,329,338
Depreciation of property and equipment	21	**1,773,105**	2,228,522
Amortisation of intangible asset	6	**4,200,025**	3,967,360
Depreciation of right-of-use assets	17	**1,775,444**	1,776,989
Expected credit losses	11	**3,204,147**	13,868,105
(Gain)/loss on disposals of property and equipment - net	20	**(17,584)**	547
Interest income	20	**(5,928,835)**	(5,126,838)
Dividend received		**(16,122,974)**	-
(Reversal of Allowances)/ Allowance for slow-moving inventories	10	**(3,207,334)**	8,700,793
Finance costs		**17,374,646**	14,321,258
Operating cash flow before changes in operating assets and liabilities		**83,939,443**	236,882,365
Decrease/(Increase) in derivative financial assets		**1,773,436**	(1,773,436)
(Increase) in trade and other receivables		**(106,967,970)**	(250,573,966)
Decrease/(Increase) in inventories		**137,715,288**	(205,917,470)
Decrease/(Increase) in due from related parties		**164,332,654**	(361,227,662)
Increase/(Decrease) in trade and other payables		**113,876,971**	(45,417,589)
(Decrease) in due to related parties		**(27,197,159)**	(9,959,047)
Net cash generated from/(used in) operations		**367,472,662**	(637,986,805)
Employees' end-of-service indemnity paid	15	**(2,298,237)**	(984,831)
Taxes paid	18(a)	**(8,974,221)**	(4,657,422)
Net cash generated from/(used in) operating activities		**356,200,205**	(643,629,058)
Cash flows from investing activities			
Purchases of property and equipment		**(321,925)**	(1,596,963)
Proceeds from disposals of property and equipment		**2,516,589**	1,968,823
Purchases of intangible asset		**(3,168,226)**	(4,959,882)
Interest received		**5,928,835**	5,126,838
Net cash inflow from sale of a subsidiary		**19,461,499**	-
Investment in subsidiaries - net	8	**(1,345,679)**	(11,651,659)
Dividend received		**16,122,974**	-
Decrease in other financial assets		**-**	162,879,142
Net cash generated from /(used in) investing activities		**39,194,067**	(11,112,843)
Cash flows from financing activities			
Dividend paid	28	**(166,157,216)**	(81,265,337)
Finance costs paid		**(17,084,601)**	(16,339,983)
Proceeds from bank borrowings under trust receipts – net	19	**(327,730,012)**	327,730,012
Proceeds from bank borrowings under bank overdraft – net	19	**(2,513,010)**	10,031,996
Repayments of lease liabilities	17	**(2,018,296)**	(1,954,354)
Loan to a subsidiary	9	**51,414,674**	(73,450,000)
Net cash (used in)/generated from financing activities		**(464,088,461)**	164,752,334
Net decrease in cash and cash equivalents		**(68,694,190)**	(489,989,567)
Cash and cash equivalents at the beginning of the year		**152,631,184**	481,669,561
Effects of exchange rate changes on cash and cash equivalents held in Foreign Currencies		**(1,411,680)**	(1,927,952)
Cash and cash equivalents at the end of the year	13	**82,525,315**	152,631,184

Non-cash transaction:

Employees' end-of-service indemnity transferred (from)/ to related parties	9 & 15	-	121,023

1. Establishment and Operations

a) Redington Gulf FZE is a Free Zone Establishment (the "Establishment") registered on 27 March 2000 pursuant to Law No.9 of 1992 of Implementing Regulations issued thereunder by the Jebel Ali Free Zone Authority.

b) The immediate Parent and Holding Company is Redington International Mauritius Limited, Mauritius, and the ultimate controlling party is Redington (India) Limited, India.

c) The principal activity of the Establishment is the distribution of information technology and telecommunication products and spare parts, providing hardware support and maintenance services for information technology and telecommunication products.

d) The address of the registered office of the Establishment is P.O Box 17266, Jebel Ali, Dubai, United Arab Emirates (U.A.E.).

e) The Establishment operates in Kuwait, Iraq and India through its branches, Redington Gulf FZE - Distribution (Kuwait Branch), Ensure Computer Service (Kuwait Branch), Redington Gulf FZE - (Iraq Branch) and Redington Gulf FZE - (India Branch). These separate financial statements include the financial position and financial performance of the operations of the branches.

f) Details of the Establishment's subsidiaries and sub-subsidiaries as at 31st March 2024 are as follows :

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Cadensworth FZE	100	100	Dubai, U.A.E.	Authorised distributor of information technology products and spare parts.
Redington Middle East LLC	100	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Cadensworth United Arab Emirates (LLC)	100	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Redington Gulf & Co. LLC	70	100	Muscat, Oman	Distribution of information technology products, providing hardware support and maintenance services.
Redington Turkey Teknoloji A.Ş.	100	100	Istanbul, Turkey	Distribution of information technology products.
Ensure Services Arabia LLC	100	100	Riyadh, Kingdom of Saudi Arabia	Providing hardware support and maintenance services.
Redington South Africa Pty (formerly Ensure IT Services (Pty) Ltd.)	100	100	Johannesburg, South Africa	Providing hardware support and maintenance services.
Redington Gulf FZE Co. [Note 1(h)]	100	100	Erbil, Iraq	Distribution of information technology products, providing hardware support and maintenance services.
Redington Egypt Ltd. (Limited Liability Company)	100	100	Cairo, Egypt	Distribution of information technology products, providing hardware support and maintenance services.
Africa Joint Technical Services	65	100	Tripoli, Libya	Providing hardware support and maintenance services.
Redington Morocco Ltd.	100	100	Casablanca, Morocco	Distribution of information technology products, providing hardware support and maintenance services.

1. Establishment and Operations (continued)

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Redington Kenya Limited	100	100	Nairobi, Kenya	Distribution of information technology products, providing hardware support and maintenance services.
Redington Tanzania Limited	100	100	Dar e saalam, Tanzania	Distribution of information technology products, providing hardware support and maintenance services.
Redington Uganda Limited	100	100	Kampala, Uganda	Distribution of information technology products, providing hardware support and maintenance services.
RNDC Alliance West Africa Limited	100	100	Lagos, Nigeria	Distribution of information technology and telecommunication products.
Redington Angola Ltd.	100	100	Luanda, Angola	Distribution of information technology products, providing hardware support and maintenance services.
Redington Limited	100	100	Accra, Ghana	Distribution of information technology products, providing hardware support and maintenance services.
Redington Rwanda Ltd.	100	100	Kigali, Rwanda	Distribution of information technology products, providing hardware support and maintenance services.
Redington Turkey Holdings S.A.R.L. (RTHS)	100	100	Luxembourg City, Grand Duchy of Luxembourg	Investment in companies which are engaged in supply chain and related businesses.
Redington Kazakhstan LLP	100	100	Almaty, Kazakhstan	Distribution of information technology and telecommunication products.
Ensure Gulf FZE	100	100	Dubai, U.A.E.	Providing hardware support and maintenance services.
Redington Senegal Limited S.A.R.L.	100	100	Dakar, Senegal	Distribution of information technology and telecommunication products.
Redington Saudi Arabia Distribution Company	100	100	Riyadh, Saudi Arabia	Distribution of information technology and telecommunication products.
Citrus Consulting Services FZ LLC	100	100	Dubai, U.A.E.	Providing technology consulting services.
Redington Saudi for Trading	100	100	Riyadh, Saudi Arabia	Wholesale of electronic household appliances, telecommunication products and cosmetics.
Redington Bahrain WLL [Note 1(g)]	49	100	Manama, Bahrain	Distribution of information technology and telecommunication products.
Redington Gulf Arabia for Information Technology	100	100	Riyadh, Saudi Arabia	Providing software and consultancy services.

Notes to the separate financial statements
for the year ended 31 March 2024 (continued)

1. Establishment and Operations (continued)

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Redington Gulf FZE Jordan	49	100	Amman, Jordan	Distribution of information technology and telecommunication products.
Redington South Africa Distribution (Pty) Ltd.	100	100	KwaZulu- Natal, South Africa	Providing hardware support and maintenance services.
Redington Green Energy Limited [Note 1(i)]	100	100	Nairobi, Kenya	Providing energy solutions through solar technologies

Cadensworth FZE has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
CDW International Trading FZCO	100	100	Dubai, U.A.E.	Trading of information technology and telecommunication products.

Redington Kenya Limited has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Redington Kenya (EPZ) Limited [Note 1(h)]	100	100	Nairobi, Kenya	Distribution of information technology products, providing hardware support

Ensure Gulf FZE has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Ensure Middle East Technology Solutions LLC [Note 1(g)]	49	100	Abu Dhabi, U.A.E.	Providing hardware support and maintenance services.

Redington Egypt Ltd. has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Redington Distribution Company	99	100	Cairo, Egypt	Distribution of information technology and telecommunication products.

Notes to the separate financial statements
for the year ended 31 March 2024 (continued)

1. Establishment and Operations (continued)

Redington Turkey Holdings S.A.R.L. has the following subsidiary:

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Arena Bilgisayar Sanayi ve Ticaret A.S. [Note 1(g)]	49.4	49.4	Istanbul, Turkey	Distribution of information technology and telecommunication products.

Arena Bilgisayar Sanayi ve Ticaret A.S. has the following subsidiaries:

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Arena International FZE	100	100	Dubai, U.A.E.	Computer software trading, computer equipment requisites trading, telephones and telecommunication equipment trading, computer and data processing requisites trading.
PayNet Odeme Hizmetleri A. S.	100	100	Istanbul, Turkey	Payment intermediation services
Online Electronik Ticaret Hizmetleri A.S	100	100	Istanbul, Turkey	Online electronics retail and market.
Arena Mobile Iletisim Hizmetteri ve Turketici Elektronigi Sanayi ve Ticaret A.S.	100	100	Istanbul, Turkey	Wholesale trade of mobile phones and other mobile devices.
Arena Connect Teknoloji Sanayi ve Ticaret A.S. (formerly Brightstar Telekomünikasyon ve Dağıtım Ltd.Şti)	100	100	Istanbul, Turkey	Distribution of information technology and telecommunication products.

PayNet Odeme Hizmetleri A. S. has the following subsidiary:

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Paynet (Kibris) Odeme Hizmetleri Limited	100	100	Gazimagusa, Cyprus	Payment intermediation services.

Redington Turkey Teknoloji A.Ş. has the following subsidiary:

Name of subsidiary	*Ownership interest*	*Beneficial interest*	*Place of registration and operation*	*Principal activities*
	%	%		
Redington Kazakhstan Technology [Note 1(j)]	100	100	Turkey	Distribution of Information technology and telecommunication products

1. Establishment and Operations (continued)

During the year the company has liquidated below subsidiaries:

Name of subsidiary	***Ownership interest*** %	***Beneficial interest*** %	***Place of registration and operation***	***Principal activities***
Ensure Services Bahrain S.P.C. (formerly Redington Bahrain S.P.C.)	100	100	Manama, Kingdom of Bahrain	Providing hardware support and maintenance services.
Ensure Middle East Trading LLC	100	100	Dubai - UAE	Providing hardware support and maintenance services

During the year the company has transferred the below subsidiary:

Proconnect Supply Chain Logistics LLC	100	100	Dubai, U.A.E.	Providing logistic services.

g) For the entities listed above where the Establishment owns less than 50% of the equity shares, the Establishment is exposed to or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect its returns and therefore exercises effective control. Consequently, these entities are considered as subsidiaries and sub-subsidiaries of the Establishment.

h) As part of corporate restructuring, the businesses carried on by these entities have been transferred to other RGF subsidiaries in the respective geographies and these entities are under liquidation as of 31 March 2024.

i) On 17th October 2023 RGF incorporated a wholly owned subsidiary, Redington Green Energy Limited via board resolution with a share capital of 367,242 AED.

j) On 4th December 2023 the Redington Turkey Teknoloji A.Ş, Turkey incorporated wholly owned subsidiary, Redington Kazakhstan Teknoloji A.Ş via board resolution

k) Arena Connect İletişim ve Servis Limited Şirketi merged with Arena Connect Teknoloji Sanayi ve Ticaret A.S. w.e.f 29 December 2023.

l) Sale and Purchase Agreement (‘SPA’) is executed on February 29, 2024, between RGF and Business Integrated Operating Systems FZ-LLC, Dubai, United Arab Emirates, for the sale of 100% of the equity/ ownership of Citrus Consulting Services FZ-LLC UAE. The deal is subject to regulatory approvals and fulfilment of conditions precedent as mentioned in the SPA.

2. Application of new and revised international financial reporting standards (IFRSs)

2.1 New and amended IFRSs that are effective for the current year

In the current period, the Establishment has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2023.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2. Application of new and revised international financial reporting standards (IFRSs) (continued)

2.1 New and amended IFRSs that are effective for the current year continued)

New and revised IFRS Accounting Standards	***Summary***
IFRS 17 *Insurance Contracts*	IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.
Amendments to IFRS 17 *Insurance Contracts*	Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are: • Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. • Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk. • Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination. • Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level. • Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements. • Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives. • Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held. •Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts. •Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.
Amendment to IFRS 17 Insurance Contracts Initial Application of IFRS 17 and IFRS 9 - Comparative Information	The amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.
Amendments to IFRS 4 *Insurance Contracts* Extension of the Temporary Exemption from Applying IFRS 9	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

2. Application of new and revised international financial reporting standards (IFRSs) (continued)

2.1 New and amended IFRSs that are effective for the current year continued)

Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2	The amendments require that an entity discloses its material accounting policies, instead of its Significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.
Amendments to IAS 12 Income Taxes relating to Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
Amendments to IAS 12 Income Taxes relating to International Tax Reform - Pillar Two Model Rules	The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2023.

2.2 New and revised IFRSs in issue but not yet effective and not early adopted

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRS Accounting Standards	***Effective for annual periods***
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	1 January 2024
IFRS S2 Climate-related Disclosures IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.	1 January 2024

2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRS Accounting Standards	***Effective for annual periods***
Amendments to IFRS 16 Leases relating to Lease Liability in a Sale and Leaseback The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements relating to Non-current Liabilities with Covenants The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance Arrangements The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	1 January 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.	1 January 2025
Amendments to IFRS 10 Consolidated Financial Statements and IAS	Effective date deferred

The management anticipates that these new standards, interpretations and amendments will be adopted in the Group's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the company in the period of initial application.

3. Presentation of financial statements of the Establishment on a stand-alone basis

These separate financial statements are presented for Redington Gulf FZE on a stand-alone basis as permitted by IAS 27 Separate Financial Statements, which requires investments in subsidiaries to be accounted for under the cost method in these separate financial statements. In addition, consolidated financial statements of Redington Gulf FZE and its subsidiaries are separately issued and are available at the Establishment's registered office.

4. Material Accounting Policy Information

Statement of Compliance

The separate financial statements are prepared in accordance with IFRS.

Basis of preparation

The separate financial statements are prepared in accordance with the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

4. Material Accounting Policy Information (continued)

The Material Accounting Policy information adopted are set out below.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase costs and other related expenses that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Revenue recognition

(i) Revenue from sale of goods

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

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

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 Establishment 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 Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.

5) Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Establishment satisfied 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 Establishment's performance as the Establishment performs; or

▪ The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

▪ The Establishment's performance does not create an asset with an alternative use to the Establishment and the entity has an enforceable right to payment for performance completed to date.

The Establishment allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Establishment's efforts or inputs to the satisfaction of the performance obligations.

When the Establishment satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, net of any taxes, taking into account contractually defined terms of payment and excluding taxes and duty. The Establishment assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is reduced for customer returns, rebates and other similar allowances.

Revenue from renewal of service packs

Revenue from renewal of service packs is recorded as net as there is no inventory risk. Any subsequent purchase or possession of the same service pack by the Establishment is considered transitory as it is definite that the inventory will ultimately be transferred and there is no meaningful period that the Establishment holds the inventory before it is transferred to the end user.

4. Material Accounting Policy Information (continued)

(ii) Revenue from professional services

Revenue from professional services is recorded as net as the main responsibility of the Establishment is to arrange for the services to be performed by the vendor. Revenue is recognised when (or as) the Establishment satisfies a performance obligation at a point in time.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any identified impairment loss. 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 item will flow to the Establishment and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when incurred. Depreciation is charged so as to write off the cost of assets, except for capital work-in-progress, over their estimated useful lives, using the straight-line method, as follows.

	Years
Building	20
Leasehold Improvements	3 - 5
Warehouse equipment	5
Furniture and fixtures	4 - 5
Motor Vehicles	3 - 5
Office Equipment	5 - 8
Computers	3 - 5

The estimated useful lives and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for as a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible Asset

Cost of software purchase is amortized using the straight-line method over its estimated useful life of 3 years.

Impairment of tangible and intangible assets

At each reporting date, the Establishment reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Establishment estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

4. Material Accounting Policy Information (continued)

Impairment of tangible and intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investment in subsidiaries

A subsidiary is an entity over which the Establishment exercises control. Control is achieved where the Establishment has:

• power over the entity;
• exposure or has rights, to variable returns from its involvement with the entity; and
• the ability to use its power over the entity to affect its returns.

Investments in subsidiaries are accounted in these separate financial statements of the Establishment using the "cost method" in accordance with IAS 27 Separate Financial Statements under which such investments are carried at cost less any impairment in value.

Provisions

Provisions are recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that the Establishment 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 flows 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 the receivable can be measured reliably.

Employee benefits

The Establishment operates a defined benefit plan. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Establishment'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 Establishment'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 Establishment 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 recognized in "Interest expense" in the separate statement of profit or loss and other comprehensive income.

Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current Tax

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the separate statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Establishment's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. Material Accounting Policy Information (continued)

Taxation(continued)

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Establishment is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Establishment expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Value-added taxes

Revenue, expenses and assets are recognised net of the amount of value-added taxes except: where the value-added taxes incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the tax is recognized as part of the acquisition of the asset or as part of the expense item as applicable; and receivables and payables that are stated with the amount of value-added taxes included.

The net amount of value-added taxes recoverable from and payable to the tax authority is included as part of “Trade and other receivables” in the separate statement of financial position.

Equity-settled share-based payments

The Establishment operates a number of equity-settled, share based compensation plans. The fair value of the employee services received in exchange for the grant of the shares/options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares/options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of shares/options that are expected to vest. At each reporting date, the Establishment revises its estimates of the number of shares/options that are expected to vest. It recognizes the impact of the revision to original estimates, if any, in the separate statement of profit or loss and other comprehensive income, with a corresponding adjustment to retained earnings.

4. Material Accounting Policy Information (continued)

Equity-settled share-based payments (continued)

The ultimate controlling party, Redington (India) Limited, has granted rights to its equity instruments to the employees of the Establishment and its subsidiaries conditional upon the completion of continuing service with the Establishment for a specified period. The total amount of the grant over the vesting period is determined by reference to the fair value of the equity instruments granted and is recognised in each period as an increase in the investments in the subsidiaries with a corresponding credit to retained earnings.

In the separate financial statements of the subsidiaries, the fair value of the employee services received in exchange for the grant of the equity instruments of the Establishment is recognised as an expense with a corresponding credit to equity.

Foreign Currencies

In preparing the separate financial statements of the Establishment, transactions in currencies other than the Establishment's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing 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 not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting the separate financial statements, the assets and liabilities of the Establishment's foreign operations are translated into Arab Emirates Dirhams (AED) using exchange rates prevailing at each reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation is reclassified to profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when the Establishment's separate statement of financial position when the Establishment becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the separate statement of profit or loss and other comprehensive income.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

4. Material Accounting Policy Information (continued)

Financial assets (continued)

All recognised financial assets are measured subsequently in their entirety at amortised cost.

i) Amortised cost and effective interest rate method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting year, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Impairment of financial assets

The Establishment always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Establishment's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Establishment recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Establishment measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Establishment compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment the Establishment considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Establishment’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Establishment’s core operations.

For financial guarantee contracts, the date that the Establishment becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Establishment considers the changes in the risk that the specified debtor will default on the contract.

4. Material Accounting Policy Information (continued)

i) Significant increase in credit risk (continued)

The Establishment regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.
The Establishment assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:
▪ the financial instrument has a low risk of default;
▪ the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
▪ adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the

ii) Definition of default

The Establishment employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Establishment.

iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
▪ significant financial difficulty of the issuer or the borrower;
▪ a breach of contract, such as a default or past due event (see (ii) above);
▪ the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted

iv) Write-off policy

The Establishment writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Establishment's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Establishment in accordance with the contract and all the cash flows that the Establishment expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Establishment derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Establishment neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Establishment recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Establishment retains substantially all the risks and rewards of ownership of a transferred financial asset, the Establishment continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measure at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

4. Material Accounting Policy Information (continued)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not designated as FVTPL, are measure subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Establishment derecognises financial liabilities when, and only when, the Establishment's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leases

The Establishment as lessee

The Establishment assesses whether contract is or contains a lease, at inception of the contract. The Establishment recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Establishment recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Establishment uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
▪ fixed lease payments (including in-substance fixed payments), less any lease incentives;
▪ variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
▪ the amount expected to be payable by the lessee under residual value guarantees;
▪ the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
▪ payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Establishment remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
▪ the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
▪ the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
▪ a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

4. Material Accounting Policy Information (continued)

Leases (continued)

The Establishment made one adjustment during the period presented arising from the changes in lease payments agreed with the lessor.
The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Establishment expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use of assets are presented as a separate line item in the

The Establishment applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss and other comprehensive income.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Establishment has not used this practical expedient.

5. Critical accounting judgments and key sources of estimation uncertainty in applying the Establishment's accounting policies

Critical judgements in applying the Establishment's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below) that the Board of Directors have made in the process of applying the Establishment's accounting policies, which are described in Note 4 to the separate financial statements, and that have the most significant effect on the amounts recognised in the separate financial statements.

Warranties

The Establishment's Original Equipment Manufacturer ("OEM") generally warrants the products distributed by the Establishment and these are assurance warranties provided in the normal course of business relating to product performance. The Establishment generally does not independently warrant the products it distributes and therefore management does not consider that any provisions for warranties or claims are required.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provisions for impairment of trade receivables

The Establishment measures the estimated credit losses at an amount equal to lifetime ECL. In assessing whether the credit risk of an asset has significantly increased the Establishment takes into account qualitative and quantitative reasonable and supportable forward-looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Calculation of loss allowance

When measuring ECL, the Establishment uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Establishment would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

5. Critical accounting judgments and key sources of estimation uncertainty in applying the Establishment's accounting policies (continued)

Critical judgements in applying the Establishment's accounting policies (continued)

Allowance for slow-moving inventories

Inventories are stated at the lower of cost and net realisable value (net of price protection rebates). Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Based on the above factors, the Establishment has arrived at certain percentages for allowance for slow-moving inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Discounting of lease payments

The lease payments are discounted using the Establishment's incremental borrowing rate ("ÏBR"), which is equal to 3.19% in 2024 (2023: 3.19%) due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the commencement of lease, using borrowing rates that certain financial institutions would charge the Establishment against financing the different types of assets it leased over different terms and different ranges of values. Leases are present in the U.A.E. accordingly no adjustment for the economic environment was deemed required.

Assessment as to whether the right-of-use assets is impaired

In estimating the recoverable amount of the right-of-use assets, the Management has made assumptions about the achievable market rates for similar properties with similar lease terms. The Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the right-of-use assets is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts of the related cash generating unit.

Original equipment manufacturer ("OEM") supplier programs

OEM suppliers formulate programs for inventory volume promotion programs and price protection rebates. Inventory volume promotion programs and price protection rebates are recorded as a reduction of cost of sales. The rebates are accrued based on the terms of the program and sales of qualifying products. Some of these programs may extend over one or more reporting periods. The Establishment tracks vendor promotional programs for volume discounts on a program-by-program basis. Once the program is implemented, the benefit of the program based on the actual volume is recorded as a receivable from vendors with a corresponding reduction in the cost of sales. Concurrently, the vendor receivable is collected generally through reductions authorised by the vendor against the accounts payable balances.

The Establishment monitors the balances of receivables from vendors on a monthly basis. Actual rebates may vary based on volume or other sales achievement levels, which could result in an increase or reduction in the estimated amounts previously accrued. OEM suppliers may change the terms of some or all these programs or cease them altogether. Any such change could impact the gross margins on products or revenue earned.

Customer Incentive

The Establishment accrues for rebates for its customers based on contracted percentages on the total sales made during the year and based on fulfilment of the related obligations at a point in time, which require management to ascertain whether these obligations have been met by its customers during the period of agreement. This requires management knowledge of all customers for whom these connected commitments are in place in order to ensure that the accrual is complete.

Notes to the separate financial statements
for the year ended 31 March 2024

6. Intangible Assets

	Computer Software AED	Work-in-progress AED	Total AED
Cost			
At 1 April 2022	39,778,568	271,288	40,049,856
Additions	4,959,882	-	4,959,882
Write-off	(8,513,891)	-	(8,513,891)
At 31 March 2023	36,224,559	271,288	36,495,847
Additions	4,717,638	-	4,717,638
Write-off	(7,897,429)		(7,897,429)
Transfer from work-in-progress	271,288	(271,288)	-
At 31 March 2024	**33,316,056**	**-**	**33,316,056**
Accumulated depreciation			
At 1 April 2022	33,480,775	-	33,480,775
Amortisation for the year (Note 21)	3,967,360	-	3,967,360
Write-off	(8,513,891)	-	(8,513,891)
At 31 March 2023	28,934,244	-	28,934,244
Amortisation for the year (Note 21)	4,200,025		4,200,025
Write-off	(6,348,017)		(6,348,017)
At 31 March 2024	**26,786,252**	**-**	**26,786,252**
Carrying amount			
At 31 March 2024	**6,529,804**	**-**	**6,529,804**
At 31 March 2023	7,290,315	271,288	7,561,603

Work-in-progress represents costs incurred as at the reporting date on the development of the Establishment's business software.

Notes to the separate financial statements
for the year ended 31 March 2024 (continued)

7. Property & Equipment

	Building AED	Leasehold Improvements AED	Warehouse equipment AED	Furniture and fixtures AED	Motor vehicles AED	Office equipment AED	Computers AED	Total AED
Cost								
At 1 April 2022	24,687,175	897,857	7,116,005	16,956,946	115,942	4,791,379	3,939,155	58,504,459
Additions	-	-	145,151	16,710	-	1,270,037	165,065	1,596,963
Disposal	-	-	(502,009)	(11,522,815)	(52,628)	(3,790,558)	(1,426,266)	(17,294,276)
At 31 March 2023	24,687,175	897,857	6,759,147	5,450,841	63,314	2,270,858	2,677,954	42,807,146
Additions	-	118,728	25,842	6,700	-	10,914	159,741	321,925
Disposal	-	-	(107,176)	(2,186,239)	-	(921,103)	(357,570)	(3,572,088)
At 31 March 2024	**24,687,175**	**1,016,585**	**6,677,813**	**3,271,302**	**63,314**	**1,360,669**	**2,480,125**	**39,556,983**
Accumulated depreciation								
At 1 April 2022	14,294,892	364,802	6,201,264	16,201,201	115,167	3,681,860	3,772,977	44,632,163
Charge for the year (Note 21)	1,234,359	113,700	277,293	65,280	-	359,269	178,621	2,228,522
Eliminated upon disposals	-	-	(495,896)	(11,272,626)	(52,628)	(2,077,490)	(1,426,266)	(15,324,906)
At 31 March 2023	15,529,251	478,502	5,982,661	4,993,855	62,539	1,963,639	2,525,332	31,535,779
Charge for the year (Note 21)	1,234,359	113,653	239,057	9,108	-	13,675	163,252	1,773,104
Eliminated upon disposals	-	-	-	-	775	(633,730)	(422,544)	(1,055,499)
Write-off	-	56,096	48,614	(1,739,222)	-	-	-	(1,634,512)
At 31 March 2024	**16,763,610**	**648,251**	**6,270,332**	**3,263,741**	**63,314**	**1,343,584**	**2,266,040**	**30,618,872**
Carrying amount								
At 31 March 2024	**7,923,565**	**368,334**	**407,481**	**7,561**	**-**	**17,085**	**214,085**	**8,938,111**
At 31 March 2023	9,157,924	419,355	776,486	456,986	775	307,219	152,622	11,271,367

The building consists of a distribution centre in the Jebel Ali Free Zone, Dubai, U.A.E., which is constructed on a land leased for a period of 20 years expiring in 2027.

8. Investment in Subsidiaries

	2024	2023
	AED	AED
Balance at the beginning of the year	**135,608,380**	123,956,721
Investments made during the year	**2,203,452**	11,708,802
Disposals during the year	**(857,773)**	(57,143)
Balance at the end of the year	**136,954,059**	135,608,380

a) During the year ended 31st March 2024, RGF incorporated wholly-owned subsidiary, Redington Kenya Solar Energy Kenya Ltd in Kenya with a share capital of 367,242 AED and capital infusion of AED 1,836,210 in Redington South Africa Distribution Limited.

b) During the year ended 31st March 2024, RGF liquidated Ensure Service Bahrain and divested investment in Pro Connect Holding Limited.

9. Related Party Balances and transactions

The Establishment enters into transaction with the companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures. Related parties comprise the Parent Company, companies and entities under common ownership and/or common management and key management personnel.

The management decides on the terms and conditions of the transactions and of services received / rendered from/to related parties as well as on other charges.

At the reporting date, balances due from/to related parties were as follows:

	2024	2023
	AED	AED
Loan to subsidiaries	**180,952,938**	232,367,612
Due from related parties		
Ultimate Parent Company	**3,672,000**	-
Entities under common management or control	**1,238,433,044**	1,406,437,698
	1,242,105,044	1,406,437,698
Due to related parties		
Ultimate Parent Company	**413,261**	5,527,951
Entities under common management or control	**29,044,133**	51,126,602
	29,457,394	56,654,553

Included in loan to subsidiaries amounting to AED 151,567,612 pertains to an amount due from Redington Turkey Holdings SARL which bears a fixed interest of 0.5 % (2023 : 0.5 %) per annum and will be repaid in full in November 2030.
Loan to subsidiaries also includes amount due from Redington Turkey Teknoloji A.Ş. amounting to AED 29,385,326 (2023: 80,800,000)which bears a fixed interest of 7.0% per annum.

The Establishment has determined that the amounts due from related parties do not carry a credit risk and hence no expected or specific loss allowance is required on these balances. In the process of making this determination, the Establishment has considered the terms underlying these balances, historical default rate, the ability of the related parties to settle these balances when due and the right of set off on a group basis. The balances due from related parties are repayable on demand and there is no historical default rate. The settlement of the related party balances is managed by the ultimate controlling party through their centralized treasury process.

Notes to the Separate Financial Statements
for the year ended 31 March 2024 (continued)

9. Related Party Balances and transactions (continued)

The following is a summary of transactions with related parties, which are included in the separate financial statements :

	2024 AED	2023 AED
Sales to Subsidiaries	**2,199,980,246**	2,259,138,889
Sales to Entities under common control/ownership	**113,788,477**	146,802,148
Rebates given to subsidiaries	**560,175,741**	628,112,714
Rebates given to entities under common control /ownership	**16,433,509**	10,591,268
Purchases from subsidiaries	**45,104,438**	85,826,195
Purchases from Entities under common control /ownership	**34,359,745**	7,007,143
Transfer of employee end-of-service indemnity (Note 15)	**-**	121,023
Dividend income (Note 20)	**16,122,974**	-
Interest income	**4,383,162**	2,218,215
Interest expenses	**2,868,582**	1,501,644
Management Fee income (Note 20)	**47,274,646**	50,757,508
Interest and corporate guarantee charges (Note 20)	**10,018,832**	10,855,957
Write-off or related party receivables	**686,215**	6,115,664
Back-office support services	**16,992,499**	4,136,564
Recharge of Salary	**11,129,407**	13,823,358
Recharge of Interest	**(6,020,021)**	-
Common Cost Allocations	**33,298,488**	-

Corporate Guarantee Charges

These are in lieu of the Corporate Guarantee (AED 136.7 million) and Letter of Credit (AED 19 million) provided by Redington Gulf FZE to the banks (2023: AED 155.7 million) in respect of banking facilities granted to Redington Qatar Distribution WLL.

Management Fee income

The Establishment entered into an agreement with related parties to charge management fee for an amount equal to 1% of related parties' revenue. The management fee income is charged for services such as information technology and software support services, bank guarantees to suppliers, finance and accounts services and other management services.

	2024 AED	2023 AED
Remuneration of Key Management Personnel		
Salaries and benefits	**3,128,788**	2,881,858
Long-term benefits	**114,433**	141,243
	3,243,221	3,023,101

During the year ended 31 March 2024, the Establishment received AED 16,122,974 dividend income from its subsidiaries. (2023: Nil)

10. Inventories

	2024 AED	2023 AED
Goods held for sale	**644,988,315**	787,111,829
Allowance for slow-moving inventories	**(16,173,022)**	(19,380,357)
	628,815,293	767,731,472
Goods in transit	**20,833,165**	16,424,939
	649,648,458	784,156,411

Movement in allowance for slow-moving inventories:

	2024 AED	2023 AED
Balance at beginning of the year	**19,380,357**	10,682,856
Allowance for slow-moving inventories (Note 23)	**(3,206,179)**	8,700,793
Write-off	**(1,156)**	(3,292)
	16,173,022	19,380,357

11. Trade and other receivables

	2024	2023
	AED	AED
Trade Receivables	**685,896,245**	578,885,919
Expected credit Loss	**(32,272,491)**	(29,068,344)
	653,623,754	549,817,575
Advances to suppliers	**17,210,225**	28,088,397
Prepayments	**12,754,517**	7,375,484
Receivables from suppliers	**16,300,804**	4,071,351
Other advances	**479,142**	3,273,790
Value added tax receivables	**-**	2,690,835
Deposits	**539,439**	400,343
Other Receivables	**851,321**	2,277,604
	701,759,202	597,995,379

The average credit period on sales of goods and services is 34 days (2023 : 27 Days). No interest is charged on the past due trade receivables. In the opinion of the management, the Establishment has provided fully all receivables that are not recoverable.

Of the trade receivables balances at reporting date, AED 35,969,917 (2023 : AED 147,410,509) is due from one customer (2023 : three customers). There are no other customers who represent more than 5 % of the total balance of trade receivables.

The following table details the risk profile of trade receivables based on the Establishment's provision matrix. As the Establishment's historical credit loss experience does not show significantly different loss patterns for different customer segments, the expected credit losses based on past due status is not further distinguished between the Establishment's different customer base:

	Gross Carrying amount at default	**Impaired Receivables**	**Not impaired receivables**
	AED	**AED**	**AED**
31st March 2024			
Current	**460,200,451**	**-**	**460,200,451**
Past due by:			
1-30 days	**81,725,369**	**-**	**81,725,369**
31-60 days	**40,238,820**	**-**	**40,238,820**
61-90 days	**16,648,375**	**-**	**16,648,375**
Over 90 days	**87,083,230**	**(32,272,491)**	**54,810,739**
	685,896,245	**(32,272,491)**	**653,623,754**
31st March 2023			
Current	356,256,316	-	356,256,316
Past due by:			
1-30 days	85,167,919	-	85,167,919
31-60 days	33,759,401	-	33,759,401
61-90 days	26,742,571	-	26,742,571
Over 90 days	76,959,712	(29,068,343)	47,891,369
	578,885,919	(29,068,343)	549,817,575

11. Trade and other receivables (continued)

Movement in expected credit losses:

	2024	2023
	AED	AED
Balance at beginning of the year	**29,068,344**	15,200,239
Expected credit losses (Note 23)	**2,945,773**	13,868,105
Provision for other financial assets	**258,374**	-
Balance at the end of the year	**32,272,491**	29,068,344

12. Other Financial Assets

	2024	2023
	AED	AED
Margin deposits	**2,612,050**	2,612,050

Margin deposits are held by banks against letters of guarantee to Ministry of Labour and Jebel Ali Free Zone Authority (Note 27).

13. Cash and Cash Equivalents

	2024	2023
	AED	AED
Cash on hand	**65,199**	61,765
Bank balances		
Current accounts	**41,428,630**	53,218,556
Short-term deposits (less than 3 months)	**41,031,486**	99,350,863
	82,525,315	152,631,184

Short-term deposits have original maturity period of three months or less and carry an average interest rate of 3.30% per annum (2023 : 2.10 % per annum)

14. Share Capital

	2024	2023
	AED	AED
Authorised, issued and fully paid-up:		
12 shares of AED 1,000,000 each	**12,000,000**	12,000,000

15. Provision for employees' end-of-service indemnity

The Establishment provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Establishment. The Establishment's obligation towards gratuity is a defined benefit plan and the details of actuarial valuation at the reporting date are as follows:

	2024	2023
	AED	AED
Balance at the beginning of the year	**11,732,915**	11,384,613
Service cost	**1,155,060**	1,329,338
Net Interest cost	**555,227**	334,892
Actuarial (gain)/loss on obligation	**(448,168)**	(452,120)
Amounts paid during the year	**(2,298,237)**	(984,831)
Transferred (from)/to related parties (Note 9)	-	121,023
Cumulative Translation adjustment	**(542,941)**	-
Balance at the end of the year	**10,153,856**	11,732,915

15. Provision for employees' end-of-service indemnity (continued)

Expense recognised in "Staff salaries and benefits" under the separate statement of profit or loss and other comprehensive income :

	2024	2023
	AED	AED
Service Cost	1,155,060	1,329,338
Net interest cost	555,227	334,892
	1,710,287	1,664,230

Principal assumptions used for purposes of the actuarial valuation :

	2024	2023
Discount rate	**4.95%**	5.00%
Salary Escalation rate	**4.95%**	5.00%
Mortality rate	**Per AM (80) table**	Per AM (80) table
Withdrawal rate	**13.00%**	13.00%

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 Establishment to ascertain the impact in one of the actuarial assumptions, keeping other assumptions constant, on the defined benefit obligation is as follows:

	Increase / (decrease)	
	2024	2023
	AED	AED
Increase of 1 % in assumption		
Discount rate	**(853,266)**	(705,313)
Salary escalation rate	**990,627**	841,083
Decrease of 1 % in assumption		
Discount rate	**986,706**	798,595
Salary escalation rate	**(848,683)**	(755,261)

16. Trade and other payables

	2024	2023
	AED	AED
Trade Payables	**1,483,193,756**	1,390,432,674
Accrued Expenses	**58,095,842**	50,150,518
Advances from customers	**83,476,507**	86,000,439
Derivative financial liability	**-**	248,996
Other payables	**16,079,481**	819,547
	1,640,845,587	1,527,652,174

17. Right-of-use assets and lease liabilities

Establishment *as a Lessee*

The Establishment leases several assets including land, buildings and motor vehicles. The average lease term is 5.5 years.

Right-of-use assets	**2024**	2023
	AED	AED
Balance at the beginning of the year	**5,918,862**	6,648,713
Amortization of right-of-use Asset (Note 21)	**(1,775,444)**	(1,776,989)
Additions during the year	**-**	1,069,241
Cumulative Translation adjustment	**(3,706)**	(22,103)
Balance at the end of the year	**4,139,712**	5,918,862

17. Right-of-use assets and lease liabilities (conyinued)

Lease Liabilities	**2024**	2023
	AED	AED
Balances at the beginning of the year	**6,136,211**	7,041,444
Additions during the year	**-**	834,400
Interest expenses	**231,916**	214,721
Payments	**(2,018,296)**	(1,954,354)
Modification	**58,128**	-
Balance at the end of the year	**4,407,959**	6,136,211

	2024	2023
	AED	AED
Current	**1,794,867**	3,360,156
Non-current	**2,613,092**	2,776,055
	4,407,959	6,136,211

The management tested for indicators of impairment relating to right-of-use assets at the reporting date in accordance with IAS 36 and have concluded that there is no impairment.

18. Taxation

The Establishment is subject to taxation in Kuwait, India and Iraq where its Branches operate. The applicable income tax rates range from 15% to 30%.

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% will be applied to taxable income not exceeding AED 375,000 or to certain types of entities, as prescribed by way of a Cabinet Decision.

As the Establishment's accounting year ends on 31 March, accordingly the effective implementation date for the Company will start from 1 April 2024 to 31 March 2024, with the first return to be filed on or before 30 September 2025.

The CT Law confirms the rate of 9% to be applied to taxable income exceeding a specified threshold. It is not currently foreseen that the Establishment will be subject to the application of the Global Minimum Tax rate of 15% in FY2024. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Company operates and the implementation of a top-up tax regime by UAE MOF.

As per the Establishment’s assessment, there is no deferred tax impact on account of the CT Law in the financial statements for the year ended 31 March 2024. Furthermore, based on the Company’s assessment, the expected effective tax rate that it will be subject to in the UAE is 9%.

a) *The movement in income tax payable is as follows* :

	2024	2023
	AED	AED
Balance at the beginning of the year	**7,426,764**	6,771,129
Charged during the year	**9,657,778**	5,313,057
Paid during the year	**(8,974,221)**	(4,657,422)
Balance at the end of the year	**8,110,321**	7,426,764

b) *The movement in deferred tax assets is as follows :*

	2024	2023
	AED	AED
Balance at the beginning of the year	-	889,560
Tax (expenses)/benefit during the year	-	(838,927)
Exchange rate effect	-	(50,633)
Balance at the end of the year	-	-

18. Taxation (continued)

c) *Income tax expense for the year is as follows :*

	2024 AED	2023 AED
Current Taxation	**(9,657,778)**	5,313,057
Deferred Taxation	**-**	838,927
	(9,657,778)	6,151,984

19. Bank Borrowings

	2024 AED	2023 AED
Trust receipts	**-**	327,730,012
Overdraft	**7,518,986**	10,031,996
	7,518,986	337,762,008

As at 31 March 2024, bank borrowings amounting to AED 7,518,986 (2023: 337,762,008) are secured by assignment of insurance policies over inventories on a pari-passu basis. Trust receipts are repayable within one year and are at floating rates of interest, negotiated with the banks at an average interest rate of 6.31% (2023 : 4.26 %) per annum.

Movement in bank borrowings is as follows:

	Trust Receipts AED	Overdraft AED	Total AED
Balance as at 1 April 2023	327,730,012	10,031,996	337,762,008
New loans availed	2,461,142,011	1,394,526,065	3,855,668,076
Repayment made	(2,788,872,023)	(1,397,039,075)	(4,185,911,098)
Balance as at 31 March 2024	**-**	**7,518,986**	**7,518,986**

20. Other income - net

	2024 AED	2023 AED
Interest income	**5,928,835**	5,126,838
Loss on disposals of property and equipment - net	**(17,584)**	(547)
Dividend income (Note 9)	**16,122,974**	-
Management Fee Income (Note 9)	**47,274,646**	50,757,508
Interest and corporate guarantee charges (Note 9)	**10,018,832**	10,855,957
Others - net	**17,475,304**	2,067,305
	96,803,007	68,807,061

21. Depreciation and amortization expenses

	2024 AED	2023 AED
Depreciation of right-of-use assets (Note 17)	**1,775,444**	1,776,989
Amortisation of intangible assets (Note 6)	**4,200,025**	3,967,360
Depreciation of property and equipment (Note 7)	**1,773,105**	2,228,522
	7,748,574	7,972,871

22. Finance Cost

	2024 AED	2023 AED
Interest on trust receipt	**17,751,723**	10,061,612
Interest on overdraft	**1,664,142**	2,170,011
Interest on Parent loan	**2,868,582**	1,501,644
Recharge of interest from group companies	**(5,926,674)**	-
Other finance cost	**1,016,873**	587,991
	17,374,646	14,321,258

23. Other expenses - net

	2024 AED	2023 AED
Sales promotion	**52,787,689**	36,954,357
Software expenses	**34,661,207**	27,091,867
Bank Charges	**13,877,003**	15,995,359
Freight outwards	**18,736,164**	15,634,858
Expected credit losses (Note 11)	**2,945,773**	13,868,105
Insurance	**12,117,669**	8,863,926
Allowance for slow-moving inventories (Note 10)	**(3,206,179)**	8,700,793
Consultancy expenses	**6,252,109**	3,726,244
Travelling	**2,523,188**	2,724,439
Warehousing charges	**2,434,140**	2,388,666
Legal and professional charges	**1,203,242**	2,045,270
Rent	**612,098**	1,379,789
Communication expenses	**1,171,898**	1,199,384
Repair and maintenance	**527,077**	990,900
Sponsorship fees	**791,028**	792,442
Utilities	**292,291**	400,750
Gain on derivative financial assets	**6,552,597**	(12,259,119)
Common Cost Allocations	**33,298,488**	-
Others	**28,962,977**	11,127,503
	216,540,459	141,625,533

24. Financial Instruments

(a) *Significant accounting policies*

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the separate financial statements.

(b) Categories of financial instruments

	2024 AED	2023 AED
Financial assets		
Financial asset at amortised cost	**2,163,209,861**	2,346,544,066
Investments in subsidiaries	**136,954,059**	135,608,380
Derivative financial assets at fair value	**-**	1,773,436
	2,300,163,920	2,483,925,882
Financial liabilities		
Financial liabilities at amortised cost	**1,598,753,417**	1,842,204,507

(c) *Fair value*

The Establishment has valued its derivative financial instrument based on the valuation techniques. All other financial assets and financial liabilities at the end of the reporting period approximate their fair values.

Fair value hierarchy

The following table provides an analysis of financial instrument that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

24. Financial Instruments (continued)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
2024				
Financial assets measured at fair value				
Foreign currency forward contracts	-	-	-	-
2023				
Financial assets measured at fair value				
Foreign currency forward contracts	-	1,773,436	-	1,773,436

25. Financial risk management

The financial risk management policies are discussed by the management of the Establishment on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimise potential adverse effects of financial performance of the Establishment. The Management provides necessary guidance/instructions to the employees covering specific areas, such as market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Establishment's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rate and interest rates.

There has been no change to the Establishment exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Foreign currency risk management*

The Establishment undertakes certain transaction denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Establishment's foreign currency denominated monetary assets and monetary liabilities as at the reporting date are as follows:

	2024 AED	2023 AED
Assets		
Kuwait Dinar	**48,243,031**	37,262,224
Indian Rupees	**1,498,733**	1,609,607
Liabilities		
Kuwait Dinar	**4,771,881**	1,103,047
Indian Rupees	**11,315**	50,327

The following table details the Establishment's sensitivity to a 10% increase and decrease in the AED against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit and other equity where the AED strengthens 10% against the relevant currency. For a 10% weakening of the AED against the relevant currency, there would be an equal and opposite impact on the profit and other equity:

	2024 AED	2023 AED
Profit or (loss)		
Kuwaiti Dinar	(4,347,115)	(3,615,918)
Indian Rupees	(148,742)	(155,928)

This is mainly attributable to the exposure to outstanding trade payables and trade receivable at the reporting date.

25. Financial risk management (continued)

(b) *Interest rate risk management*

The Establishment is exposed to interest rate risk as the Establishment borrows funds at floating interest rates. The Establishment's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Establishment's profit for the year ended 31st March 2024 would increase/decrease by AED 37,595 (2023 : decrease/increase by AED 163,865). This is mainly attributable to the Establishment's exposure to interest rates on its variable rate borrowings.

(c) Credit risk management

Credit risk arises from credit exposure to outstanding trade receivables. The management of the Establishment has implemented centralised procedures for credit control. Credit risk is minimised through credit insurance and a conservative credit policy. Individual counterparty limits are set in accordance with the credit policy. The Establishment's exposure to credit risk is continuously monitored and the aggregate value of transactions concluded is spread amongst counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly. Due to the risk on transactions in the countries in which the Establishment operates, management will, based on past experience and level of risk associated with these transactions, make a provision for losses on such transactions should they consider it necessary.

Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Establishment does not have any significant credit risk exposure to any single counterparty or any company of the counterparty having similar characteristics. The Establishment defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 10% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Further details of credit risk on trade receivables are discussed in Note 11 to the separate financial statements.

The Establishment, on occasion, makes advance payment to suppliers in order to avail settlement discounts, which could be earlier than the date of receipt of goods and prior to recording the purchase and liability. On occasion, the Establishment would also settle supplier liabilities earlier than the agreed credit period in order to avail settlement discounts.

The Establishment's current credit risk grading framework comprises the following categories :

Category	**Description**	**Basis for recognising expected credit losses**
Performing	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL - Not credit impaired
Doubtful	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - Not credit impaired
In default	Amount is >180 days past due or there is evidence indicating the asset is credit impaired	Lifetime ECL - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Establishment has no realistic prospect of recovery.	Amount is written off

25. Financial risk management (continued)

(d) Liquidity risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Establishment's short, medium and long-term funding and liquidity management requirements. The Establishment manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

	Average Interest rate	Less than 1 year	More than 1 year but less than 5 years	More than 5 years	Total
	%	AED	AED	AED	AED
2024					
Financial Assets					
Interest-bearing instruments	**3.30%**	**41,031,486**	**29,385,326**	**151,567,612**	**221,984,424**
Non-interest bearing		**1,941,225,437**	**-**	**-**	**1,941,225,437**
		1,982,256,923	**29,385,326**	**151,567,612**	**2,163,209,861**
2023					
Financial Assets					
Interest-bearing instruments	2.56%	99,350,863	80,800,000	151,567,612	331,718,475
Non-interest bearing		2,014,825,591			2,014,825,591
		2,114,176,454	80,800,000	151,567,612	2,346,544,066
2024					
Financial Liabilities					
Interest-bearing instruments	**6.31%**	**9,313,853**	**2,613,092**	**-**	**11,926,944**
Non-interest bearing		**1,586,826,473**	**-**	**-**	**1,586,826,473**
		1,596,140,326	**2,613,092**	**-**	**1,598,753,417**
2023					
Financial Liabilities					
Interest-bearing instruments	3.73%	341,122,164	2,776,055	-	343,898,219
Non-interest bearing		1,498,306,288	-	-	1,498,306,288
		1,839,428,452	2,776,055	-	1,842,204,507

26. Capital risk Management

The Establishment manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. The Establishment's overall strategy remains unchanged from the previous year.

The capital structure of the Establishment consists of debt, which includes the bank borrowings disclosed in Note 19, other financial assets disclosed in Note 12, cash and cash equivalents disclosed in Note 13 and equity comprising issued capital, reserves and retained earnings as disclosed in the separate statement of changes in equity.

Gearing ratio

The Establishment's risk management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Establishment targets an optimum gearing ratio of 85% determined as the proportion of gross debt to equity.

The gearing ratio at the year-end was as follows :

	2024	2023
	AED	AED
Debt	**11,926,944**	343,898,219
Cash and Cash Equivalents and other financial assets	**(85,137,365)**	(155,243,234)
Net (cash)/debt	**(73,210,421)**	188,654,985
Equity	**1,315,670,590**	1,390,969,357
Net debt to equity ratio	**NA**	14%

27. Contingent Liabilities

	2024	2023
	AED	AED
Letter of Guarantee	**3,073,033**	3,234,430

28. Dividend

During the year ended 31st March 2024, the Directors of the Establishment declared and paid dividends of AED 13,846,434 per share aggregating to AED 166,157,216 (2023: Divided of AED 6,772,111 per share aggregating to AED 81,265,337).

29. Approval of Separate financial statements

The separate financial statements for the year ended 31st March 2024 were approved and signed by the Board of directors on 07 June 2024.