REDINGTON GULF AND CO. LLC

Report and financial statements
for the year ended 31 March 2024

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Independent auditor's report to the Shareholders of Redington Gulf and Co. LLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Redington Gulf and Co. LLC** ("the Company"), which comprise the statement of financial position as at 31 March 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Sultanate of Oman, 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 and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and their preparation in compliance with applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Auditor's responsibilities for the audit of the financial statements (continued)

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

We report that these financial statements comply, in all material respects, with the applicable provisions of the Commercial Companies Law of 2019.

Deloitte & Touche

**Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman
22 May 2024**

ديلويت آند توش (الشرق الأوسط) وشركاه ش.م.م
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REDINGTON GULF AND CO. LLC

Statement of financial position
As at 31 March 2024

	Notes	2024 RO	2023 RO
ASSETS			
Non-current assets			
Equipment	6	18,319	912
Right-of-use assets	7	16,600	3,579
Deferred tax asset		1,668	-
Total non-current assets		36,587	4,491
Current assets			
Inventories	8	547,317	1,052,544
Trade and other receivables	9	3,398,808	3,486,939
Due from a related party	14	246	-
Cash and bank balances	10	793,773	345,837
Total current assets		4,740,144	4,885,320
Total assets		4,776,731	4,889,811
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	150,000	150,000
Legal reserve	12	50,000	50,000
Retained earnings		856,056	408,379
Total equity		1,056,056	608,379
LIABILITIES			
Non-current liabilities			
End of service benefits	13	48,454	51,665
Lease liabilities	7	10,765	1,381
Total non-current liabilities		59,219	53,046
Current liabilities			
Lease liabilities	7	5,727	2,297
Due to related parties	14	1,627,031	3,022,405
Trade and other payables	15	1,953,761	1,167,323
Income tax payable	16	74,937	36,361
Total current liabilities		3,661,456	4,228,386
Total liabilities		3,720,675	4,281,432
Total equity and liabilities		4,776,731	4,889,811

Arun Srinivasan
Chief Financial Officer

Thyagarajulu Kadiyala
Head of Finance

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

REDINGTON GULF AND CO. LLC

Statement of profit or loss and other comprehensive income for the year ended 31 March 2024

	Notes	2024 RO	2023 RO
Revenue	17	13,465,325	11,752,218
Cost of sale	18	(12,193,965)	(11,202,277)
Salaries and other related staff costs	19	(223,074)	(213,443)
General, administrative and selling expenses	20	(433,234)	(95,119)
Depreciation	6	(1,513)	(1,036)
Amortisation of right of use asset	7	(3,016)	(2,261)
Finance cost	21	(89,577)	(9,977)
Profit before tax		520,946	228,105
Taxation	16	(73,269)	(36,361)
Profit and total comprehensive income for the year		447,677	191,744

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

REDINGTON GULF AND CO. LLC

Statement of changes in equity
for the year ended 31 March 2024

	Share capital RO	Legal reserve RO	Retained earnings RO	Total RO
At 1 April 2022	150,000	46,876	219,759	416,635
Profit and total comprehensive income for the year	-	-	191,744	191,744
Transfer to legal reserve	-	3,124	(3,124)	-
At 1 April 2023	**150,000**	**50,000**	**408,379**	**608,379**
Profit and total comprehensive income for the year	**-**	**-**	**447,677**	**447,677**
At 31 March 2024	**150,000**	**50,000**	**856,056**	**1,056,056**

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

REDINGTON GULF AND CO. LLC

Statement of cash flows
for the year ended 31 March 2024

	Notes	2024 RO	2023 RO
Cash flows from operating activities			
Profit before tax		**520,946**	228,105
Adjustments for:			
Depreciation	**6**	**1,513**	1,036
Amortisation of right of use asset	**7**	**3,016**	2,261
Finance cost	**7**	**299**	192
(Reversal) / provision for obsolete inventory	**8**	**(10,146)**	24,630
Inventory write off	**8**	**-**	(15,491)
Provision for end of service benefits	**13**	**16,960**	9,087
Operating cash flows before working capital changes		**532,588**	249,820
Working capital changes:			
Inventories		**515,373**	(402,373)
Trade and other receivables		**88,131**	(1,422,831)
Due from a related party		**(246)**	-
Trade and other payables		**786,438**	121,807
Due to related parties		**(1,395,374)**	1,630,647
Cash generated from operating activities		**526,910**	177,070
Employee benefits liabilities paid	**13**	**(20,171)**	(3,911)
Income tax paid	**16**	**(36,361)**	(19,248)
Net cash from operating activities		**470,378**	153,911
Cash flows from investing activity			
Purchase of equipment	**6**	**(18,920)**	(639)
Net cash used in investing activity		**(18,920)**	(639)
Cash flows from financing activity			
Repayment of lease liabilities (including interest)	**7**	**(3,522)**	(2,400)
Net cash used in financing activity		**(3,522)**	(2,400)
Net change in cash and cash equivalents		**447,936**	150,872
Cash and cash equivalents at the beginning of the year		**345,837**	194,965
Cash and cash equivalents at the end of the year (note 10)		**793,773**	345,837
Non-cash transactions:			
Right of use assets – addition		**16,037**	-
Lease liabilities – addition		**16,037**	-

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

1. Legal status and principal activities

Redington Gulf and Co. LLC (the Company) is a limited liability company registered with the Ministry of Commerce, Industry and Investment Promotion (MOCIIP) in accordance with the provisions of the Commercial Companies Law of the Sultanate of Oman. The Company's principal activity is distribution and providing after sales service of computer software, trading in computer peripherals consumables, providing hardware support and maintenance services.

The Company is a subsidiary of Redington Gulf FZE (the Parent Company) incorporated in United Arab Emirates which is a subsidiary of Redington (India) Limited incorporated in India, which is the Ultimate Parent Company.

The Company's principal place of business is located at Ruwi, Muscat, Sultanate of Oman.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the requirements of the Commercial Companies Law and Regulations of the Sultanate of Oman.

2.2 Basis of presentation

The financial statements have been prepared under the historical cost convention and going concern assumption, modified for certain assets and liabilities which are stated at their fair values as required by the IFRS. The preparation of financial statements is in conformity with IFRS that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

3. Adoption of new and revised international financial reporting standards (IFRS)

3.1 New and revised IFRSs that are effective for the current year

In the current year, the Company has applied a number of other 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 April 2023. The adoption of the following IFRS have not had any material impact on the disclosures or on the amounts reported in these financial statements and are listed below:

3. Adoption of new and revised international financial reporting standards (IFRS) (continued)

3.1 New and revised IFRSs that are effective for the current year (continued)

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies

  The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

  The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

- Amendments to IAS 12 Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income Taxes — International Tax Reform—Pillar Two Model Rules
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates
- IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The above amendments had no impact on the financial statements of the Company.

3.2 New and revised IFRS in issue but not yet effective

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - effective date not yet decided
- Amendments to IAS 21 - Lack of exchangeability - effective from January 1, 2025
- Amendments to the SASB standards to enhance their international applicability - effective from January 1, 2025

Management anticipates that these new standards, interpretations and amendments will be adopted in the 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.

4. Accounting policies

A summary of the significant accounting policies adopted in the preparation of these financial statements is set out below. These policies have been adopted for all the years presented, unless otherwise stated.

Equipment

Equipment are stated at historical cost less accumulated depreciation and any impairment in value. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated in accordance with the straight-line method to write-off the cost of each asset to its estimated residual value over the useful economic life.

Depreciation has been calculated from the date of acquisition at the following rates:

Description	% per annum
Equipment	20 – 33.33

Gains and losses on disposal of equipment are determined by reference to their carrying amount and are taken into account in determining net profit or loss. Repairs and renewals are charged to profit or losswhen the expenditure is incurred.

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

Leases

The Company as lessee

The Company assesses whether contract is or contains a lease, at inception of the contract. The Company 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 Company 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 Company uses its incremental borrowing rate.

4. Accounting policies (continued)

Leases (continued)

The Company as lessee (continued)

- 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 Company 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 revise 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.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lessee transfer ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company 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.

4. Accounting policies (continued)

Leases (continued)

The Company as lessee (continued)

The right-of-use of assets are presented as a separate line in the statement of financial position.

The Company 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, plant 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.

As a practical expedient, IFRS16 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 Company has not used this practical expedient.

Inventories

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

Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company determines the classification of its financial assets at initial recognition. The classificationdepends on the business model for managing the financial assets and the contractual terms of the cash flows.

Classification
The financial assets are classified in the following measurement categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
b) Those to be measured at amortised cost.

For assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensiveincome.

4. Accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

The Company has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies debt instruments at amortised cost based on the below:

a) The asset is held within a business model with the objective of collecting the contractual cash flows; and
b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or coststhat are an integral part of the Effective Interest Rate (EIR).

De-recognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets
The Company applies the Expected Credit Loss (ECL) model for measurement and recognition of impairmentloss on the financial assets.

4. Accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)
ECL are the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Company expects to receive. The ECL considers the amount and timing of payments and, hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month ECL or lifetime ECL, depending on whetherthere has been a significant increase in credit risk since initial recognition. '12 month ECL' represent & ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represent & ECL that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 month ECL. The Company uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provision matrix based on aging of the trade receivables.

The Company uses historical loss experience and derived loss rates and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the aging of the amounts that are past due and are generally higher for those with the higher aging.

Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cashflows.

Classification
The financial liabilities are classified in the following measurement categories:

a) Those to be measured as financial liabilities at fair value through profit or loss; and
b) Those to be measured at amortised cost.

Measurement
All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR method after considering thedirectly attributable transaction costs.

4. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

Measurement (continued)
The Company classifies all its financial liabilities subsequently at amortised cost, except for financial liabilitiesat fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

The EIR method calculates the amortised cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums ordiscounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings, trade payables, etc.

The Company's financial liabilities include trade and other payables, lease liabilities and amounts due to related parties. The Company measures financial liabilities at amortised cost.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of non-financial assets
The carrying amount of the Company's assets or its cash generating unit, other than financial assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may nolonger exist and there has been a change in the estimates used to determine the recoverable amount.

Cash and cash equivalents
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances.

Provisions
Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

4. Accounting policies (continued)

Employees' benefit liabilities
Obligations for contributions to a defined contribution retirement plan, for Omani employees in accordance with the Omani Social Insurance Scheme, are recognised as an expense in profit and loss as the related service is provided.

The Company’s obligation in respect of non-Omani employees’ terminal benefits is the amount of future benefit that such employees have earned in return for their service in the current and prior periods having regard to the employee contract and Oman Labour Law 2023, as amended.

Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while the provision relating to employees' end of service benefits is disclosed as a non-current liability.

Revenue recognition
The Company recognizes revenue to depict the transfer of control of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled for those goods and services and excludes amounts collected on behalf of third parties.

The Company recognises revenue over time if any one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Other income
Other income earned by the Company is recognised on the accruals basis, or when the Company's right to receive the payment is established, unless recovery is doubtful.

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

4. Accounting policies (continued)

Income tax
Income tax is provided for in accordance with the fiscal regulations of the Sultanate of Oman.

Current tax is recognised in profit or loss as the expected tax payable on the taxable income for the year, using tax-rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided on all temporary differences at the reporting date. It is calculated adopting a tax rate that is the rate that is expected to apply to the periods when it is anticipated the liabilities will be settled, and which is based on tax-rates (and laws) that have been enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

5. Critical accounting judgments and key source of estimating uncertainty

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

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

Impairment of inventories

The Company creates an impairment provision for obsolete and slow-moving inventories. Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates aremade. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the statement of financial position date to the extent that such events confirm conditions existing at the end of the reporting period.

6. Equipment

	Equipment RO
Cost	
At 1 April 2022	5,775
Additions	639
Disposals	(1,575)
At 1 April 2023	**4,839**
Additions	**18,920**
At 31 March 2024	**23,759**
Accumulated depreciation	
At 1 April 2022	4,466
Charge for the year	1,036
Disposals	(1,575)
At 1 April 2023	**3,927**
Charge for the year	**1,513**
At 31 March 2024	**5,440**
Net book amount	
At 31 March 2024	**18,319**
At 31 March 2023	912

7. Right of use assets and lease liabilities

	RO
Cost	
At 1 April 2022 & 2023	**5,840**
Additions	**16,037**
At 31 March 2024	**21,877**
Accumulated amortisation	
At 1 April 2022	-
Charge for the year	2,261
At 1 April 2023	**2,261**
Charge for the year	**3,016**
At 31 March 2024	**5,277**
Net book amount	
At 31 March 2024	**16,600**
At 31 March 2023	3,579

7. Right of use assets and lease liabilities (continued)

Lease liabilities	2024 RO	2023 RO
At 1 April	**3,678**	5,886
Additions during the year	**16,037**	-
Add: finance expenses accrued during the year	**299**	192
Less: lease payment made during the year	**(3,522)**	(2,400)
At 31 March	**16,492**	3,678
Maturity analysis - contractual undiscounted cash flow:		
Less than one year	**6,480**	2,400
More than one year	**11,340**	1,600
Total undiscounted lease liabilities	**17,820**	4,000
Less: deferred finance lease interest expenses	**(1,328)**	(322)
Present value of lease liabilities	**16,492**	3,678
Lease liabilities included in the statement of financial position		
Current	**5,727**	2,297
Non-current	**10,765**	1,381
	16,492	3,678

8. Inventories

	2024 RO	2023 RO
Inventories	**560,863**	1,040,820
Goods in transit	**-**	35,416
Less: provision for obsolete and slow moving inventories	**(13,546)**	(23,692)
	547,317	1,052,544

The movement in provision for obsolete and slow moving inventories is as follows:

	2024 RO	2023 RO
At 1 April	**23,692**	14,553
(Reversal) / charge for the year	**(10,146)**	24,630
Less: written off during the year	**-**	(15,491)
At 31 March	**13,546**	23,692

9. Trade and other receivables

	2024 RO	2023 RO
Trade and other receivables	**3,389,768**	3,149,541
Prepayments	**8,655**	6,790
Advances to staff	**385**	1,750
WHT receivable	**-**	328,858
	3,398,808	3,486,939

10. Cash and cash equivalents

	2024 RO	2023 RO
Current account balance with banks	**793,773**	345,837

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

11. Share capital

The share capital, as registered with the MOCIIP is RO 150,000 (2023: RO 150,000), comprising of 150,000 shares of RO 1 each (2023: 150,000 shares of RO 1 each).

A break-down of the shareholding pattern is as follows:

	Percentage shareholding	Amount RO
31 March 2024 and 2023		
Redington Gulf FZE	**70%**	**105,000**
Middle East Holding Company Limited	**30%**	**45,000**
	100%	**150,000**

12. Legal reserve

In accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to anon-distributable reserve until such time as a minimum of one-third of the share capital is set aside. No such transfer was made during the year as the Company has already achieved one third of the share capital.

13. End of service benefits

	2024	2023
	RO	RO
At 1 April	**51,665**	46,489
Charge for the year (Note 19)	**16,960**	9,087
Payments during the year	**(20,171)**	(3,911)
At 31 March	**48,454**	51,665

14. Related party transaction and balance

The Company, in the ordinary course of business, deals with parties, which fall within the definition of ‘related parties’ as contained in International Accounting Standard 24. The terms of these transactions are mutually agreed and approved by the management.

Significant transactions during the year with are as follows:

Redington Gulf FZE (Parent Company)	**2024**	2023
	RO	RO
Purchases	**3,281,770**	4,536,949
Services provided to Parent Company	**705,369**	233,017
Funds transferred	**10,092,154**	2,673,314

Balances	**Name of related party**	**Relationship**	**2024**	2023
			RO	RO
Due to related parties	Redington Gulf FZE	Parent Company	**1,626,211**	2,998,565
	Ensure Gulf FZE	Fellow subsidiary	**-**	23,840
	Redington Bahrain WLL	Fellow subsidiary	**820**	-
			1,627,031	3,022,405
Due from a related party	Ensure Gulf FZE	Fellow subsidiary	**246**	-

15. Trade and other payables

	2024 RO	2023 RO
Trade payables	**1,699,808**	660,228
Accrued expenses	**158,286**	101,964
VAT payable	**59,036**	88,501
Withholding tax payable	**36,631**	316,630
	1,953,761	1,167,323

16. Taxation

Provision has been made for income tax after adjusting past accumulated losses, allowances and disallowances. Income tax has been agreed with the Tax Authority up to the tax year 2020. The management considers that the amount of additional taxes, if any, that may become payable in relation to the tax years for which assessments are pending would not be material to the Company's financial position as at 31 March 2024.

Taxation	2024 RO	2023 RO
Income tax – current tax	**74,937**	36,361
Deferred tax	**(1,668)**	-
	73,269	36,361

Income tax payable	2024 RO	2023 RO
At 1 April	**36,361**	19,248
Charge for the year	**74,937**	36,361
Paid during the year	**(36,361)**	(19,248)
At 31 March	**74,937**	36,361

The following is reconciliation between income taxes calculated on accounting profits at the applicable tax rates with the income tax expense recognized in the profit or loss:

	2024 RO	2023 RO
Profit before tax as per financial statements	**520,946**	228,105
Income tax expense at tax rate of 15 %	**78,142**	34,215
Tax effect of non-deductible expenses	**(1,831)**	712
Deferred tax adjustments relating to prior year	**(3,042)**	1,434
At 31 March	**73,269**	36,361

17. Revenue

	2024 RO	2023 RO
Revenue recognised at a point in time:		
Revenue from distribution of products	**13,021,959**	10,284,856
Revenue recognised over time:		
Revenue from services	**443,366**	1,467,362
	13,465,325	11,752,218

18. Cost of sales

	2024 RO	2023 RO
Inventories at 1 April	**1,052,544**	659,310
Purchases and direct expenses	**11,688,738**	11,595,511
Inventories at 31 March	**(547,317)**	(1,052,544)
	12,193,965	11,202,277

19. Salaries and other related staff costs

	2024 RO	2023 RO
Salaries	**138,408**	138,999
Charge for employees' benefits (Note 13)	**16,960**	9,087
Other related staff costs	**67,706**	65,357
	223,074	213,443

20. General administrative and selling expenses

	2024 RO	2023 RO
Office support cost	**309,807**	-
Selling and distribution	**33,258**	38,095
Legal and professional fees	**30,951**	7,227
Advertisement and sales promotion	**23,674**	11,232
Travelling expenses	**3,378**	3,552
Insurance	**3,201**	3,505
Loss on foreign exchange	**2,548**	9,071
Repairs and maintenance	**2,299**	1,040
Bank charges	**2,403**	1,751
Communication	**1,335**	1,538
Printing and stationery	**50**	177
Miscellaneous expenses	**20,330**	17,931
	433,234	95,119

21. Finance costs

	2024	2023
	RO	RO
LC charges	**89,278**	9,785
Interest expense on lease liabilities	**299**	192
	89,577	9,977

22. Capital risk management

The capital of the Company consists of share capital, reserves and retained earnings. The primary objective of the management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise members' value.

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

23. Financial assets and liabilities and risk management

Risk management

Risk management is carried out by the Finance Department under policies approved by the members. The Finance Department identifies, evaluates and hedges financial risks in close co-operation with the members. The Company provides principles for overall risk management, as well as policies covering specific areas.

Financial assets and liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, trade and other receivables, trade and other payables and amounts due from and to related parties. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Market risk

Foreign exchange risk

Foreign exchange risk is the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The majority of the Company's financial assets and financial liabilities are either denominated in RO or currencies fixed against the RO. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weaken or strengthen against the RO with all other variables held constant.

Management considers that sensitivity analysis is not necessary due to the Company's limited exposure toforeign exchange risk.

23. Financial assets and liabilities and risk management (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuatebecause of changes in interest rates.

As the Company has no significant interest-bearing assets and liabilities, the Company’s income and operating cash flows are substantially independent of changes in market interest rates. Management considers that sensitivity analysis is not necessary due to the Company's limited exposure to interest rate risk.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company has no equity investments which can give exposure to price risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is potentially exposed to credit risk principally on its trade receivables and bank balances. The bank balance is held with an international bank with a good credit rating. The creditrisk on trade receivables is subject to credit evaluations and provision is made for estimated irrecoverable amounts. The Company is not exposed to any significant concentration of credit risk due to its large number of customers.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company’s management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available to meet any future commitments. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows.

23. Financial assets and liabilities and risk management (continued)

Liquidity risk (continued)

Liabilities as at 31 March 2024	**Carrying value RO**	**Contractual cash flow RO**	**Less than 1 year RO**	**More than 1 year RO**
Due to related parties	**1,627,031**	**1,627,031**	**1,627,031**	**-**
Lease liabilities	**16,492**	**17,820**	**6,480**	**11,340**
Trade and other payables	**1,858,094**	**1,858,094**	**1,858,094**	**-**
	3,501,617	**3,502,945**	**3,491,605**	**11,340**

Liabilities as at 31 March 2023	Carrying value RO	Contractual cash flow RO	Less than 1 year RO	More than 1 year RO
Due to related parties	3,022,405	3,022,405	3,022,405	-
Lease liabilities	3,678	4,000	2,400	1,600
Trade and other payables	762,192	762,192	762,192	-
	3,788,275	3,788,597	3,786,997	1,600

24. Categories of financial instruments

Financial assets consist of trade and other receivables, cash in hand and at bank, and due from a related party. Financial liabilities consist of trade and other payables, lease liabilities, and due to related parties.

	2024 RO	2023 RO
Financial assets recorded at amortised cost:		
Cash and bank balances	**793,773**	345,837
Due from a related party	**246**	-
Trade and other receivables	**3,389,768**	3,149,541
	4,183,787	3,495,378
Financial liabilities measured at amortised cost		
Lease liabilities	**16,492**	3,678
Due to related parties	**1,627,031**	3,022,405
Trade and other payables	**1,858,094**	1,167,323
	3,501,617	4,193,406

25. Fair values of financial instruments

Financial instruments consist of financial assets and liabilities. Financial assets and liabilities carried on the statement of financial position include cash and bank balances, trade and other receivables, due from and to related parties and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair values of the Company's financial assets and liabilities are not materially different from their carrying amounts.

26. Approval of financial statements

These financial statements were approved and authorized for issue by the Company on 22 May 2024.