# REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.
# DOHA - QATAR

# FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2024

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**QR. 21110**

**RN: 983/AM/FY2024**

## INDEPENDENT AUDITOR'S REPORT

**To the Shareholders**
**Redington Qatar Distribution Company W.L.L**
**Doha – Qatar**

### Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Redington Qatar Distribution Company W.L.L. (the "Company"), which comprise the statement of financial position as at March 31, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a 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 March 31, 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' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 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 the applicable provisions of Qatar Commercial Companies' Law and the Company's articles of association, 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 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies' Law, we report the following:

- We are also of the opinion that proper books of account were maintained by the Company and the physical inventory has been duly carried out.
- We obtained all the information and explanations which we considered necessary for our audit.
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies' Law and the Company's Articles of Association were committed during the year which would materially affect the Company's financial position or its financial performance.

**Doha – Qatar**
**May 20, 2024**

For **Deloitte & Touche**
**Qatar Branch**

**Midhat Salha**
**Partner**
**License No. 257**

**REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.**

STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

| | 2024 | 2023 |
|---|---|---|
| | QR. | QR. |
| **ASSETS** | | |
| **Current assets** | | |
| Cash and bank balances | **28,021,900** | 24,013,369 |
| Accounts receivable and other debit balances | **113,900,779** | 110,164,397 |
| Due from a related party | **2,633,773** | -- |
| Inventories | **131,334,069** | 75,556,743 |
| **Total current assets** | **275,890,521** | 209,734,509 |
| | | |
| **Non-current assets** | | |
| Plant and equipment | **807,938** | 741,049 |
| Right-of-use of asset | **2,386,549** | 3,443,482 |
| **Total non-current assets** | **3,194,487** | 4,184,531 |
| **Total assets** | **279,085,008** | 213,919,040 |
| | | |
| **LIABILITIES AND EQUITY** | | |
| **Current liabilities** | | |
| Accruals and payables | **156,255,744** | 104,716,941 |
| Income tax payable | **3,346,347** | 3,542,587 |
| Due to related parties | **25,157,693** | 35,405,298 |
| Lease liability | **1,100,930** | 1,066,048 |
| **Total current liabilities** | **185,860,714** | 144,730,874 |
| | | |
| **Non-current liabilities** | | |
| Employees' end of service benefits | **1,047,480** | 808,708 |
| Lease liability | **1,402,383** | 2,503,313 |
| **Total non-current liabilities** | **2,449,863** | 3,312,021 |
| **Total liabilities** | **188,310,577** | 148,042,895 |
| | | |
| **Equity** | | |
| Capital | **200,000** | 200,000 |
| Statutory reserve | **100,000** | 100,000 |
| Retained earnings | **90,474,431** | 65,576,145 |
| **Total equity** | **90,774,431** | 65,876,145 |
| **Total liabilities and equity** | **279,085,008** | 213,919,040 |

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C.R. No.: 36693
P.O. Box : 30588
Doha - Qatar

Thyagarajulu Kadiyala
General Manager

DELOITTE & TOUCHE
Doha - Qatar
20 MAY 2024
Signed for Identification
Purposes Only

**REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended March 31, 2024

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Sales | **1,362,713,021** | 1,254,051,456 |
| Cost of sales | **(1,285,268,695)** | (1,182,850,030) |
| **Gross profit** | **77,444,326** | 71,201,426 |
| Other income | **4,551,981** | 3,290,565 |
| Selling, general and administrative expenses | **(50,269,478)** | (37,687,611) |
| Amortization of right-of-use of asset | **(1,056,933)** | (1,041,304) |
| Finance cost – lease liability | **(99,032)** | (118,311) |
| Finance cost | **(2,508,655)** | (3,198,231) |
| **Profit for the year before income tax** | **28,062,209** | 32,446,534 |
| Income tax | **(3,163,923)** | (3,414,992) |
| **Profit for the year** | **24,898,286** | 29,031,542 |
| Other comprehensive income | **--** | -- |
| **Total comprehensive income for the year** | **24,898,286** | 29,031,542 |

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Thyagarajulu Kadiyala
General Manager

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Doha - Qatar
20 MAY 2024
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**REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.**

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2024

| | Capital QR. | Statutory reserve QR. | Retained earnings QR. | Total QR. |
|---|---|---|---|---|
| Balance at April 1, 2022 | 200,000 | 100,000 | 36,544,603 | 36,844,603 |
| Total comprehensive income for the year | -- | -- | 29,031,542 | 29,031,542 |
| Balance at March 31, 2023 | 200,000 | 100,000 | 65,576,145 | 65,876,145 |
| Total comprehensive income for the year | | | 24,898,286 | 24,898,286 |
| **Balance at March 31, 2024** | **200,000** | **100,000** | **90,474,431** | **90,774,431** |

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Doha - Qatar

20 MAY 2024

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*This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.*

**REDINGTON QATAR DISTRIBUTION COMPANY W.L.L.**

STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | **QR.** | QR. |
| **OPERATING ACTIVITIES** | | | |
| Profit for the year before income tax | | **28,062,209** | 32,446,534 |
| *Adjustments for:* | | | |
| Depreciation of plant and equipment | 9 | **289,318** | 204,928 |
| (Gain)/ loss from disposal of plant and equipment | | **(328)** | 837 |
| Gain from termination of lease contracts | | -- | (26,178) |
| Provision for employees' end of service benefits | 11 | **301,632** | 283,909 |
| Amortization of right-of-use asset | 10 | **1,056,933** | 1,041,304 |
| Finance cost – lease liability | 10 | **99,032** | 118,311 |
| Finance cost | | **2,508,655** | 3,198,231 |
| (Reversal of)/ provision for obsolete and slow-moving inventories | 8 | **(368,956)** | 1,513,743 |
| Accounts receivables write off | 16 | **3,575,102** | -- |
| Provision for/ (reversal of) expected credit losses | | **180,732** | (372,026) |
| | | **35,704,329** | 38,409,593 |
| *Working capital changes:* | | | |
| Accounts receivable and other debit balances | | **(7,492,216)** | (6,548,425) |
| Due from a related party | | **(2,633,773)** | 237,473 |
| Inventories | | **(55,408,370)** | (55,838,629) |
| Accruals and other payables | | **51,742,529** | 37,235,471 |
| Due to related parties | | **(10,247,605)** | (10,542,861) |
| **Cash flows generated from operations** | | **11,664,894** | 2,952,622 |
| Income taxes paid | 17 | **(3,360,163)** | (2,748,561) |
| Finance cost paid | | **(2,508,655)** | (3,198,231) |
| Employees' end of service benefits paid | 11 | **(266,586)** | (36,892) |
| Finance cost – lease liability paid | 10 | **(99,032)** | (118,311) |
| **Net cash flows generated from/ (used-in) operating activities** | | **5,430,458** | (3,149,373) |
| **INVESTING ACTIVITIES** | | | |
| Purchase of plant and equipment | 9 | **(385,408)** | (405,932) |
| Proceeds from disposal of plant and equipment | | **29,529** | 17,036 |
| **Net cash flows used-in investing activities** | | **(355,879)** | (388,896) |
| **FINANCING ACTIVITY** | | | |
| Repayment of lease liability | 10 | **(1,066,048)** | (1,028,622) |
| **Net cash flows used in financing activity** | | **(1,066,048)** | (1,028,622) |
| Net increase/ (decrease) in cash and cash equivalents | | **4,008,531** | (4,566,891) |
| Cash and cash equivalents at beginning of the year | 5 | **24,013,369** | 28,580,260 |
| **Cash and cash equivalents at end of the year** | 5 | **28,021,900** | 24,013,369 |

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Doha - Qatar
20 MAY 2024
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**Non-cash transactions:**

Included in accruals and other payables an amount of QR. 203,726 transfer of employees' end of service benefits during the year (Note 11).

*This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.*

## 1. GENERAL INFORMATION

Redington Qatar Distribution Company W.L.L. (the "Company") is incorporated as a limited liability company and operates in the State of Qatar under Commercial Registration No. 36693. The address of the Company's registered office is P.O. Box 8181, Doha, Qatar.

The principal activities of the Company are distribution of computers and office equipment.

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS ACCOUNTING STANDARDS) (IFRSs)

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as of January 1, 2023:

### 2.1 New and amended IFRS Standards and interpretations that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after April 1, 2023, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

| New and revised IFRSs | Effective for annual periods beginning on or after |
|---|---|
| *IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17)* | January 1, 2023 |

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS ACCOUNTING STANDARDS) (IFRSs) (CONTINUED)

### 2.1 New and amended IFRS Standards and interpretations that are effective for the current year (continued)

| New and revised IFRSs | Effective for annual periods beginning on or after |
|---|---|
| *IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17) (continued)* | January 1, 2023 |
| For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. | |
| *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies* | January 1, 2023 |
| 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 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates* | January 1, 2023 |
| The IASB has amended IAS 8 to define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. Accounting policies may require items in financial statements to be measured in a way that involves measurement uncertainty—that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information. | |

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS ACCOUNTING STANDARDS) (IFRSs) (CONTINUED)

### 2.1 New and amended IFRS Standards and interpretations that are effective for the current year (continued)

| **New and revised IFRSs** | **Effective for annual periods beginning on or after** |
|---|---|
| *Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates (continued)* | January 1, 2023 |

The IASB has retained the concept of changes in accounting estimates in the Standard, even though the definition was deleted, with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

| | |
|---|---|
| *Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction* | January 1, 2023 |

The amendments provide a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS ACCOUNTING STANDARDS) (IFRSs) (CONTINUED)

### 2.1 New and amended IFRS Standards and interpretations that are effective for the current year (continued)

| **New and revised IFRSs** | **Effective for annual periods beginning on or after** |
|---|---|
| *Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued)* | January 1, 2023 |

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities.
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

| | |
|---|---|
| *Amendments to IAS 12 Income Taxes —International Tax Reform—Pillar Two Model Rules* | January 1, 2023 |

The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS ACCOUNTING STANDARDS) (IFRSs) (CONTINUED)

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

The Company has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective.

| **New and revised IFRSs** | **Effective for annual periods beginning on or after** |
|---|---|
| *Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current* | January 1, 2024. Early application permitted |

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

In November 2022, IAS 1 has been amended to specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or noncurrent.

An entity is required to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The 2022 amendments deferred the effective date of the amendments to *IAS 1 Classification of Liabilities as Current or Non-current* published in January 2020 by one year to annual reporting periods beginning on or after January 1, 2024.The amendments are applied retrospectively.

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS ACCOUNTING STANDARDS) (IFRSs) (CONTINUED)

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

| **New and revised IFRSs** | **Effective for annual periods beginning on or after** |
|---|---|
| *Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*<br><br>The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. | Available for optional adoption/ effective date deferred indefinitely |
| *Amendments to IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions*<br><br>The amendments requires a seller-lessee to subsequently measure lease liabilities by determining "lease payments" and "revised lease payments" arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.<br><br>Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.<br><br>A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16. | January 1, 2024. Early application permitted |
| *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements*<br><br>The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. | |

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS ACCOUNTING STANDARDS) (IFRSs) (CONTINUED)

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

| New and revised IFRSs | Effective for annual periods beginning on or after |
|---|---|
| *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements (continued)* | January 1, 2024. Early application is permitted |

The term ‘supplier finance arrangements’ is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements;
- The carrying amount, and associated line items presented in the entity’s statement of financial position, of the liabilities that are part of the arrangements;
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement; and
- Liquidity risk information.

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

*Amendments to IAS 1 Presentation of Financial Statements – Non-Current Liabilities with Covenants*

In January 2020, the IASB issued amendments to IAS 1 – Classification of Liabilities as Current or Non-current (the 2020 Amendments). One of the requirements prescribed by the 2020 Amendments related to the classification of liabilities subject to covenants (e.g. a bank loan where the lender may demand accelerated repayment if financial covenants are not met). The 2020 Amendments provided that if an entity’s right to defer settlement is subject to the entity complying with specified conditions, the right exists at the end of the reporting period only if the entity complies with those conditions at the end of the reporting period. Several concerns were raised about the outcome of these requirements; therefore, the mandatory effective date was deferred. In order to address these concerns, the IASB has now issued the 2022 Amendments.

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS ACCOUNTING STANDARDS) (IFRSs) (CONTINUED)

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

| New and revised IFRSs | Effective for annual periods beginning on or after |
|---|---|
| *Amendments to IAS 1 Presentation of Financial Statements – Non-Current Liabilities with Covenants (continued)* | January 1, 2024 |

The 2022 Amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. An entity is required to disclose information about these covenants in the notes to the financial statements.

The Amendments address the concerns raised by stakeholders on the effects of the amendments to IAS 1 Classification of Liabilities as Current or Non-current related to classification of liabilities with covenants. Under the 2022 Amendments, a covenant affects whether right to defer settlement exists at the end of the reporting period if compliance with the covenant is required on or before the end of the reporting period.

The amendments are applied retrospectively with early application permitted.

| | |
|---|---|
| *Amendments to IAS 21 - Lack of Exchangeability* | January 1, 2025. Early application is permitted |

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

| | |
|---|---|
| *IFRS 18 Presentation and Disclosures in Financial Statement* | January 1, 2027. Early application is permitted |

The new standard, IFRS 18, replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1

- IFRS 18 introduces new requirements to:
  - present specified categories and defined subtotals in the statement of profit or loss
  - provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
  - improve aggregation and disaggregation
- Some of the requirements in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures.
- The IASB also makes minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share.
- IFRS 18 requires retrospective application with specific transition provisions

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS ACCOUNTING STANDARDS) (IFRSs) (CONTINUED)

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

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments as highlighted in previous paragraphs, may have no material impact on the financial statements of the Company in the period of initial application.

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

**Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and the applicable provisions of Qatar Commercial Companies' Law and the Company's article of association.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention. The financial statements are presented in Qatari Riyal, which is the functional and reporting currency of the Company.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Foreign currencies**

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency) and the results and financial position of the Company are expressed in Qatari Riyal (QR.), which is the functional and reporting currency of the Company.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items are included in the statement of profit or loss for the year.

**Employees' end of service benefits**

Employees' end of service benefits are made in accordance with the Qatar Labor Law, and is based on current remuneration and cumulative years of service at the reporting date.

**Revenue Recognition**

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Company recognizes revenue when it transfers control over goods or services to its customers.

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Revenue Recognition (continued)**

The stand-alone selling prices are determined based on the observable price at which the Company sells the products and services on a standalone basis. For items that are not sold separately the Company estimates standalone selling prices using other methods.

**Plant and equipment**

Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

| | |
|---|---|
| Leasehold improvements | 20 years |
| Equipment and computers | 5 years |
| Furniture and fixtures | 5 years |
| Computers | 3 years |

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

**Impairment of tangible assets**

At each reporting period, the Company reviews the carrying amounts of its tangible 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. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 risks specific to the asset.

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 recognized immediately in the statement of 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.

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 the statement of 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.

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises invoice price and those overheads 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 of completion and costs necessary to make the sale.

### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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.

### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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 statement of profit or loss.

### 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.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Classification of financial assets*

<u>Debt instruments designated at amortised cost</u>

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Financial assets (continued)**

*Amortised cost and effective interest rate method*

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. 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 periods, 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.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item.

*Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on accounts receivable, due from related parties and other financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for account receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company'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 Company 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 Company 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.

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Financial assets (continued)**

*Impairment of financial assets (continued)*

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company 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 Company 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.

The Company 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 Company 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:

(1) The financial instrument has a low risk of default;
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Company 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 Company.

(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:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Financial assets (continued)**

*Impairment of financial assets (continued)*

(iv) Write-off policy

The Company 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.

(v) Measurement and recognition of expected credit losses

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

*Derecognition of financial assets*

The Company 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 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 an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured 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.

**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 are measured 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.

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Financial liabilities (continued)**

*Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company'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 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.

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 re-measures 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 re-measured 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 re-measured 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).

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (continued)

*The Company as lessee (continued)*

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured 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 lease transfers 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.

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 recognized 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, 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 Company has not used this practical expedient.

### Events after the reporting date

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are discussed on the financial statements when material.

## 4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

The preparation of the financial statements in compliance with IFRSs requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## 4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY (CONTINUED)

### Critical judgements

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

*Revenue recognition*

Management considers recognizing revenue at point in time, since none of the following criteria is met:

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

*Judgements in determining the timing of satisfaction of performance obligations*

The Company generally recognise revenue over time as it performs continuous transfer of control of goods or services to the customers. Because customers simultaneously receives and consumes the benefits provided and the control transfer takes place over time, revenue is also recognised based on the extent of transfer/completion of transfer of each performance obligation. In determining the method for measuring progress for these POs, we have considered the nature of these goods and services as well as the nature of its performance.

For performance obligations satisfied at a point in time, the Company considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

Significant judgements are made by management when concluding whether the Company is transacting as an agent or a principal. The assessment is performed for each separate revenue stream in the Company. The assessment requires an analysis of key indicators, specifically whether the Company:

- carries any inventory risk;
- has the primary responsibility for providing the goods or services to the customer;
- has the latitude to establish pricing; and
- bears the customer's credit risk.

## 4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY (CONTINUED)

**Critical judgements (continued)**

*Business model assessment*

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test (please see financial assets sections of note 2). The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

*Significant increase in credit risk*

ECL are measured as an allowance equal to 12-months ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company 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.

*Judgement in identifying whether a contract includes a lease*

The Company has identified a contract which has been assessed meeting the requirements of IFRS 16 and hence recognised right-of-use asset and lease liability, accordingly.

*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).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

**Estimates**

The following is the key assumption and other key source of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities:

*Impairment of tangible assets*

The Company's management assess whether there is an indication to suggest that tangible assets have suffered impairment in accordance with accounting policies stated in note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

## 4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY (CONTINUED)

### Estimates

The following is the key assumption and other key source of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities:

*Impairment of tangible assets*

The Company's management assess whether there is an indication to suggest that tangible assets have suffered impairment in accordance with accounting policies stated in note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

*Estimated useful lives of plant and equipment*

The costs of items of property and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:

- Expected usage of the assets;
- Expected physical wear and tear, which depends on operational and environmental factors; and
- Legal or similar limits on the use of the assets.

Management has not made estimates of residual values for any items of property and equipment at the end of their useful lives as these have been deemed to be insignificant.

*Calculation of loss allowance*

When measuring ECL the Company 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. The Company uses estimates for the computation of loss rates.

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 lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

*Impairment of inventory*

Inventories are stated at the lower of cost and net realizable value.  Adjustments to reduce the cost of inventory to its realizable value are made for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

*Discounting of lease payments*

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

## 5. CASH AND BANK BALANCES

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Bank balances | **28,021,900** | 24,013,369 |
| | **28,021,900** | 24,013,369 |

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 months ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit rating of the banks, management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

## 6. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Accounts receivable | **112,731,056** | 108,718,993 |
| Less: Loss allowance | **(193,025)** | (12,293) |
| Net | **112,538,031** | 108,706,700 |
| Prepayments, other receivables and debit balances | **1,362,748** | 1,457,697 |
| | **113,900,779** | 110,164,397 |

The average credit period on sales of goods is 30 days. No interest is charged on overdue trade receivables.

*Movement of loss allowance:*

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Balance at beginning of the year | **12,293** | 384,319 |
| Provision/(reversal) made during the year | **180,732** | (372,026) |
| Balance at end of the year | **193,025** | 12,293 |

## 7. RELATED PARTIES

Related parties, as defined in International Accounting Standard 24: *Related Party Disclosures*, include major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

Key management personnel of the Company comprise key members of management having authority and responsibility for planning, controlling and directing the activities of the Company.

Pricing policies and terms of these transactions are approved by the Company’s management.

## 7. RELATED PARTIES (CONTINUED)

| | **2024** | 2023 |
|---|---|---|
| **(a) Due from a related party** | **QR.** | QR. |
| *Under common control:* | | |
| Ensure Gulf FZE | **2,633,773** | -- |
| | **2,633,773** | -- |

| | **2024** | 2023 |
|---|---|---|
| **(b) Due to related parties** | **QR.** | QR. |
| *Under common control:* | | |
| Redington Gulf FZE, UAE | **23,338,538** | 34,087,085 |
| Cadensworth FZE | **1,244,362** | 608,087 |
| Ensure Gulf FZE | **--** | 605,655 |
| Redington Middle East LLC U.A.E | **468,978** | 104,471 |
| Redingtion Saudia Arabia Distribution Co (RSAD Co) | **105,815** | -- |
| | **25,157,693** | 35,405,298 |

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

During the year, the Company entered into following transactions with the related parties:

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Purchases | **114,802,571** | 148,542,657 |
| Operational support services | **10,327,766** | 12,430,906 |
| Finance cost | **2,297,986** | 2,975,152 |
| Sales | **3,514,037** | 7,005,585 |

## 8. INVENTORIES

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR |
| Finished goods | **132,799,473** | 77,350,382 |
| Goods in transit | **126,213** | 166,934 |
| Less: Provision for obsolete and slow-moving items | **(1,591,617)** | (1,960,573) |
| | **131,334,069** | 75,556,743 |

Movements in the provision for obsolete and slow-moving inventories were as follows:

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Balance at beginning of the year | **1,960,573** | 446,830 |
| (Reversal)/provision made during the year | **(368,956)** | 1,513,743 |
| Balance at end of the year | **1,591,617** | 1,960,573 |

## 9. PLANT AND EQUIPMENT

| | Furniture and fixtures | Leasehold improvements | Office equipment | Computers | Total |
|---|---|---|---|---|---|
| | QR. | QR. | QR. | QR. | QR. |
| **Costs:** | | | | | |
| At April 1, 2022 | 172,428 | 224,450 | 788,811 | 506,952 | 1,692,641 |
| Additions during the year | 110,819 | -- | 76,663 | 218,450 | 405,932 |
| Disposals during the year | -- | -- | -- | (37,161) | (37,161) |
| At March 31, 2023 | 283,247 | 224,450 | 865,474 | 688,241 | 2,061,412 |
| Additions during the year | 195,363 | -- | 59,109 | 130,936 | 385,408 |
| Disposals during the year | -- | -- | (8,296) | (148,353) | (156,649) |
| **At March 31, 2024** | **478,610** | **224,450** | **916,287** | **670,824** | **2,290,171** |
| **Accumulated depreciation:** | | | | | |
| At April 1, 2022 | 72,258 | 22,477 | 645,994 | 393,994 | 1,134,723 |
| Charge for the year | 46,179 | 11,223 | 63,435 | 84,091 | 204,928 |
| Disposals during the year | -- | -- | -- | (19,288) | (19,288) |
| At March 31, 2023 | 118,437 | 33,700 | 709,429 | 458,797 | 1,320,363 |
| Charge for the year | 77,424 | 11,222 | 78,774 | 121,898 | 289,318 |
| Disposals during the year | -- | -- | (8,295) | (119,153) | (127,448) |
| **At March 31, 2024** | **195,861** | **44,922** | **779,908** | **461,542** | **1,482,233** |
| **Carrying amount:** | | | | | |
| **At March 31, 2024** | **282,749** | **179,528** | **136,379** | **209,281** | **807,938** |
| At March 31, 2023 | 164,810 | 190,750 | 156,045 | 229,444 | 741,049 |

## 10. LEASES

*Company as a Lessee*

The Company leases several rental properties. The average lease term is 5 years.

| | **Right-of-use-of-assets** | **Lease liabilities** |
|---|---|---|
| | **QR.** | **QR.** |
| April 1, 2022 | 3,918,517 | 4,057,892 |
| Additions | 1,922,753 | 1,922,753 |
| Termination | (1,356,484) | (1,382,662) |
| Amortisation expense | (1,041,304) | -- |
| Interest expense | -- | 118,311 |
| Payments | -- | (1,146,933) |
| **March 31, 2023** | **3,443,482** | **3,569,361** |
| Amortization expense | **(1,056,933)** | **--** |
| Interest expense | **--** | **99,032** |
| Payments | **--** | **(1,165,080)** |
| **March 31, 2024** | **2,386,549** | **2,503,313** |

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| *Maturity analysis - undiscounted* | | |
| Not later than 1 year – current | **1,165,080** | 1,165,080 |
| Later than 1 year and not later than 5 years – non-current | **1,547,630** | 2,615,620 |
| | **2,712,710** | 3,780,700 |

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| *Maturity analysis - discounted* | | |
| Not later than 1 year – current | **1,100,930** | 1,066,048 |
| Later than 1 year and not later than 5 years – non-current | **1,402,383** | 2,503,313 |
| | **2,503,313** | 3,569,361 |

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Amounts recognised in profit and loss | | |
| Amortization expense on right-of-use assets | **(1,056,933)** | (1,041,304) |
| Interest expense on lease liabilities | **(99,032)** | (118,311) |

The total cash outflow for leases amount to QR. 1,165,080 (2023: QR. 1,146,933).

## 11. EMPLOYEES' END OF SERVICE BENEFITS

Movements in the net liability were as follows:

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Balance at beginning of the year | **808,708** | 561,691 |
| Provision during the year | **301,632** | 283,909 |
| Transfers during the year | **203,726** | -- |
| Payments made during the year | **(266,586)** | (36,892) |
| Balance at end of the year | **1,047,480** | 808,708 |

## 12. ACCRUALS AND PAYABLES

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Accounts payable | **139,996,439** | 92,403,659 |
| Accrued expenses and other payables | **16,259,305** | 12,313,282 |
| | **156,255,744** | 104,716,941 |

## 13. SHARE CAPITAL

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Authorized, issued and fully paid-up shares *[200 shares at QR. 1,000 each]* | **200,000** | 200,000 |

Shareholding along with profit sharing among owners of the Company is as follows:

| | **Ownership** | **Profit sharing** | **Amount QR** |
|---|---|---|---|
| Sheikh Abdullah Jassem Ahmed Khalifa Al Thani | 51% | 2% | **102,000** |
| Redington Distribution PTE Ltd, Singapore | 49% | 98% | **98,000** |
| | 100% | 100% | **200,000** |

## 14. STATUTORY RESERVE

As required by the Qatar Commercial Companies' Law and the Company's Articles of Association, 10% of the profit for the year is to be transferred to the statutory reserve until the reserve reaches a minimum of 50% of the paid-up share capital of the Company. The reserve is not available for distribution.

## 15. SALES

The Company derives its revenue from contracts with customers for the transfer of goods at a point in time.

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| **Disaggregation of revenue – at a point in time** | | |
| Trading revenue | **1,362,713,021** | 1,254,051,456 |

## 16. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Staff costs | **14,324,851** | 12,818,468 |
| Operation support services cost | **14,612,124** | 12,441,299 |
| Sales promotion | **12,332,131** | 5,812,921 |
| Accounts receivables write off | **3,575,102** | -- |
| (Reversal of)/ provision for obsolete and slow-moving inventories (Note 8) | **(368,956)** | 1,513,743 |
| Insurance | **1,582,951** | 1,575,018 |
| Bank charges | **523,459** | 861,679 |
| Freight charges – outward | **553,963** | 838,569 |
| Rent | **240,000** | 438,669 |
| Professional and legal fees | **413,785** | 466,569 |
| Provision for/ (reversal of) loss allowance (Note 6) | **180,732** | (372,026) |
| Travel | **181,705** | 165,631 |
| Communication | **140,946** | 124,245 |
| Depreciation of plant and equipment (Note 9) | **289,318** | 204,928 |
| Repairs and maintenance | **23,028** | 88,742 |
| Miscellaneous | **1,664,339** | 709,156 |
| | **50,269,478** | 37,687,611 |

## 17. INCOME TAX

The income tax expense for the year can be reconciled to the accounting profit as follows:

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Profit before tax | **28,062,209** | 32,446,534 |
| Excess of book depreciation over tax depreciation | **40,000** | 20,400 |
| Unrealized loss | **(61,346)** | 58,712 |
| Sponsorship fees | **1,120,004** | 370,000 |
| Provisions | **701,751** | 1,797,652 |
| Accounts receivables write off | **3,575,102** | -- |
| Recoverable provisions taxed in previous years | **(368,955)** | (406,111) |
| Other adjustments | **1,013,955** | 1,797,986 |
| **Taxable income** | **34,082,720** | 36,085,173 |
| Income tax at the rate of 10% | **3,408,272** | 3,608,517 |
| Share of Non-Qatari or Non-GCC residents @ 98% | **3,340,107** | 3,536,347 |
| Less: Income tax adjustment related to prior year | **(176,184)** | (121,355) |
| Net income tax expense for the year | **3,163,923** | 3,414,992 |

Due to insignificance of the amount involved no deferred tax was recognised in these financial statements.

## 17. INCOME TAX (CONTINUED)

Movement of income tax payable is as under:

| | **2024** | 2023 |
|---|---|---|
| | **QR** | QR |
| Opening balance | **3,542,587** | 2,876,156 |
| Income tax for the year | **3,340,107** | 3,536,347 |
| Over provision of Income tax expenses in respect of prior years | **(176,184)** | (121,355) |
| Amount paid during the year | **(3,360,163)** | (2,748,561) |
| Closing balance | **3,346,347** | 3,542,587 |

*Tax assessment for the year ended March 31, 2018*

During the year, the General Tax Authority ("GTA") issued income tax assessment for the financial year 2017-2018, requiring the Company to pay additional taxes and penalties of QR. 101,558. This includes additional taxes of QR. 50,779 resulting from certain disallowed expenses and related tax penalty of QR. 50,779. After receiving the assessment, the Company submitted formal objection and thereafter appealed as per the provision of the Income Tax Law, rejecting the full amount claimed by the GTA. At present, the appeal is pending for hearing with the tax authorities.

## 18. FINANCIAL INSTRUMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument.

### Fair value of financial instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets comprise cash and bank balances, accounts receivable and other debit balances, due from related parties. Financial liabilities comprise accruals and payables, due to related parties and lease liabilities.

The fair values of financial assets and liabilities are not materially different from their carrying values.

## 19. FINANCIAL RISK MANAGEMENT

### Financial risk management objectives

The Company's principal financial liabilities comprise accounts payable, accrued expenses, due to related parties and lease liabilities. The main purpose of these financial liabilities is to manage Company's cash flows. The Company has various financial assets such as cash and bank balances, accounts receivable and due from related parties, which arise directly from operations.

The main risk arising from Company's financial instruments are credit risk, liquidity risk, market risk, interest rate risk and foreign currency risk.

## 19. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at March 31, 2024, the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

In order to minimise credit risk, the Company has tasked its management to develop and maintain the Company's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

| Category | Description | Basis for recognizing |
|---|---|---|
| Performing | The counterparty has a low risk of default and does not have any past-due amounts | 12-month ECL |
| Doubtful | When there has been a significant increase in credit risk since initial recognition | Lifetime ECL – not credit impaired |
| In default | When there is evidence indicating the asset is credit-impaired | Lifetime ECL – credit-impaired |
| Write-off | There is evidence indicating that there is a severe financial difficulty and the Company has no realistic prospect of recovery | Amount is written off |

The tables below detail the credit quality of the Company's financial assets, as well as the Company's maximum exposure to credit risk:

| **March 31, 2024** | **Note** | **12-month or lifetime ECL** | **Gross carrying** | **Loss allowance** | **Net carrying Amount** |
|---|---|---|---|---|---|
| | | | **QR.** | **QR.** | **QR.** |
| Bank balances | 5 | 12-month ECL | **28,021,900** | **--** | **28,021,900** |
| Accounts receivables | 6 | Lifetime ECL | **112,731,056** | **(193,025)** | **112,538,031** |
| Due from a related party | 7(a) | Lifetime ECL | **2,633,773** | **--** | **2,633,773** |

| March 31, 2023 | Note | 12-month or lifetime ECL | Gross carrying | Loss allowance | Net carrying Amount |
|---|---|---|---|---|---|
| | | | QR. | QR. | QR. |
| Bank balances | 5 | 12-month ECL | 24,013,369 | -- | 24,013,369 |
| Accounts receivables | 6 | Lifetime ECL | 108,718,993 | (12,293) | 108,706,700 |

## 19. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Credit risk (continued)

For accounts receivable, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

The Company always measures the loss allowance for account receivable and due from related parties at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The loss allowance as at March 31, 2024 and March 31, 2023 was determined as follows for accounts receivable:

| **March 31, 2024** | **Up to 30 days** | **31 – 120 days** | **121-180 days** | **181-365 days** | **Over 365 days** | **Total** |
|---|---|---|---|---|---|---|
| | **QR.** | **QR.** | **QR.** | **QR.** | **QR.** | **QR.** |
| *Expected credit loss rate* | | | | | | |
| Gross carrying amount | **0%** | **0%** | **62%** | **71%** | **100%** | |
| Accounts receivable (Note 6) | **101,866,459** | **10,571,784** | **179,461** | **113,352** | **--** | **112,731,056** |
| Less: Loss allowance | **--** | | **(112,029)** | **(80,996)** | **--** | **(193,025)** |
| | | | | | | **112,538,031** |

| March 31, 2023 | Up to 30 days | 31 – 120 days | 121-180 days | 181-365 days | Over 365 days | Total |
|---|---|---|---|---|---|---|
| | QR. | QR. | QR. | QR. | QR. | QR. |
| *Expected credit loss rate* | | | | | | |
| Gross carrying amount | 0% | 0% | 3% | 6% | -- | |
| Accounts receivable (Note 6) | 107,683,613 | 752,616 | 154,926 | 127,838 | -- | 108,718,993 |
| Less: Loss allowance | -- | -- | (4,583) | (7,710) | -- | (12,293) |
| | | | | | | 108,706,700 |

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to any fixed or floating interest rate risk as there are no borrowings at the reporting date.

### Liquidity risk

Liquidity risk represents the risk that the Company will not be able to settle its financial obligations due to cash and liquidity problems. Liquidity risk arises from the inability to collect payments from customers as and when they become due. Management confirms that cash and liquidity sources are sufficiently available to cover future obligations of the Company.

## 19. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Liquidity risk (continued)

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| **At March 31, 2024** | **Less than 1 year** | **Between 1 and 2 years** | **Between 2 and 5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|---|
| | **QR.** | **QR.** | **QR.** | **QR.** | **QR.** |
| Lease liability | **1,165,080** | **1,547,630** | **--** | **--** | **2,712,710** |
| Accruals and payables | **156,255,744** | **--** | **--** | **--** | **156,255,744** |
| Due to related parties | **25,157,693** | **--** | **--** | **--** | **25,157,693** |
| | **182,578,517** | **1,547,630** | **--** | **--** | **184,126,147** |

| At March 31, 2023 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| | QR. | QR. | QR. | QR. | QR. |
| Lease liability | 1,165,080 | 2,615,620 | -- | -- | 3,780,700 |
| Accruals and payables | 104,716,941 | -- | -- | -- | 104,716,941 |
| Due to related parties | 35,405,298 | -- | -- | -- | 35,405,298 |
| | 141,287,319 | 2,615,620 | -- | -- | 143,902,939 |

### Foreign currency risk

The Company undertakes certain transactions denominated in foreign currencies which gave rise to exposures to exchange rate fluctuations. The risk on such transactions is limited since these transactions are denominated in Qatari Riyal or currencies which are pegged to it.

### Capital risk

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders.

The capital structure of the Company consists of equity, comprising issued capital, reserves and retained earnings.

## 20. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The below table detail changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

| **March 31, 2024** | **At April 1, 2023** | **Financing cash flows** | **Non-cash changes** | **At March 31, 2024** |
|---|---|---|---|---|
| | **QR.** | **QR.** | **QR.** | **QR.** |
| Lease liability - principal | **3,569,361** | **(1,066,048)** | **--** | **2,503,313** |
| | **3,569,361** | **(1,066,048)** | **--** | **2,503,313** |

| March 31, 2023 | At April 1, 2022 | Financing cash flows | Non-cash changes | At March 31, 2023 |
|---|---|---|---|---|
| | QR. | QR. | QR. | QR. |
| Lease liability - principal | 4,057,892 | (1,028,622) | 540,091 | 3,569,361 |
| | 4,057,892 | (1,028,622) | 540,091 | 3,569,361 |

## 21. CONTINGENCIES & COMMITMENTS

The Company had the following contingent liabilities outstanding as at the year-end:

| | **2024** | 2023 |
|---|---|---|
| | **QR.** | QR. |
| Letter of credit | **40,040,00** | 18,325,000 |
| Bank guarantees | **--** | 365,000 |
| **Total** | **40,040,00** | 18,690,000 |

## 22. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the management and authorized for issue on May 20, 2024.