

Redington Rwanda Ltd.
(Registration Number 102663289)
Annual Financial Statements
for the year ended 31 March 2024

Redington Rwanda Ltd.



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(Registration Number 102663289)

Annual Financial Statements for the year ended 31 March 2024

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Redington Rwanda Ltd.

(Registration Number 102663289)

Annual Financial Statements for the year ended 31 March 2024

General Information

Country of Incorporation and Domicile	Rwanda
Registration Number	102663289
Registration Date	9 May 2012
Nature of Business and Principal Activities	The company in importation & distribution of information technology and telecommunication equipments. .
Directors	Pallasena Vaidhyanathan Viswanath Arun Srinivasan
Shareholder	Redington Gulf FZE
Registered Office	Umujyi wa Kigali, Gasabo, Kacyiru PO Box 1902
Certified Public Accountants	RAM Associates Ltd. Level 1, House No. 2, KN 84 Street, Opp BCK Restauarant, Nyarugenge, Kigali



Redington Rwanda Ltd.

(Registration Number 102663289)

Annual Financial Statements for the year ended 31 March 2024

Directors' Responsibilities and Approval

The directors are required by the Law No. 007/2021 of 05/02/2021 Governing Companies to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The annual financial statements have been audited by the independent auditing firm, RAM Associates Ltd., who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 26, and the supplementary information set out on pages 27 to 28 which have been prepared on the going concern basis, were approved by the directors and were signed on 1 May 2024.

Approved by the directors on 1 May 2024 and signed on its behalf by:

Pallasena Vaidhyanathan Viswanath

Arun Srinivasan



Redington Rwanda Ltd.

(Registration Number 102663289)

Annual Financial Statements for the year ended 31 March 2024

Directors' Report

The directors present their report for the year ended 31 March 2024.

1. Review of activities

Main business and operations

The company in importation & distribution of information technology and telecommunication equipments. . There were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The annual financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

5. Dividend

No dividend was declared or paid to the shareholder during the current or prior year.

6. Directors

The directors of the company during the year and up to the date of this report are as follows:

Pallasena Vaidhyanathan Viswanath
Arun Srinivasan

7. Shareholder

There have been no changes in ownership during the current financial year.

The shareholder and its interest at the end of the year is:

	Holding
Redington Gulf FZE	100.00%



Redington Rwanda Ltd.

(Registration Number 102663289)

Annual Financial Statements for the year ended 31 March 2024

Directors' Report

8. Independent Auditors

RAM Associates Ltd. were the independent auditors for the year under review.

Approved by the directors on 1 May 2024 and signed on its behalf by:

Pallasena Vaidhyanathan Viswanath

Arun Srinivasan





RAM Associates Ltd.
Certified Public Accountants



S. G. Mehta Associates

Independent Auditor's Report

To the Shareholder of Redington Rwanda Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Redington Rwanda Ltd. set out on pages 8 to 26, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 give a true and fair view of the financial position of the company as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Law No.°007/2021 of 05/02/2021 Governing Companies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Rwanda, we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

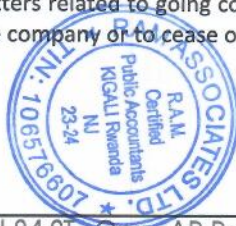
Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Law No.°007/2021 of 05/02/2021 Governing Companies, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



First Level, House No. 2, KN 84 St, Opp. AB Bank & BCK, Near Ecole Belge, Kigali, Rwanda.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

As required by the Law Relating to Companies we report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- we have no debts or liabilities to the company.

RAM Associates Ltd.

1 May 2024

Per:
Partner / Director
Certified Public Accountant



Level 1, House No. 2, KN 84 Street,
Opp BCK Restauarant, Nyarugenge, Kigali

Redington Rwanda Ltd.

(Registration Number 102663289)

Financial Statements for the year ended 31 March 2024

Statement of Financial Position

Figures in Frw	Notes	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	4	1,361,811	1,056,265
Deferred tax assets	7	138,005,291	-
Total non-current assets		139,367,102	1,056,265
Current assets			
Inventories	5	345,772,669	1,361,416,501
Trade and other receivables	6	1,911,467,230	2,386,003,610
Cash and cash equivalents	9	2,038,328,101	480,500,213
Total current assets		4,295,568,000	4,227,920,324
Total assets		4,434,935,102	4,228,976,589
Equity and liabilities			
Equity			
Issued capital	10	600,000	600,000
(Accumulated loss) / retained income		(396,824,155)	42,095,099
Total equity		(396,224,155)	42,695,099
Liabilities			
Non-current liabilities			
Deferred tax liabilities	7	-	4,310
Current tax liabilities	8	(32,353,794)	(1,497,610)
Total non-current liabilities		(32,353,794)	(1,493,300)
Current liabilities			
Provisions	11	291,828,672	119,782,123
Trade and other payables	12	4,571,684,379	4,067,992,667
Total current liabilities		4,863,513,051	4,187,774,790
Total liabilities		4,831,159,257	4,186,281,490
Total equity and liabilities		4,434,935,102	4,228,976,589

Approved by the directors on 1 May 2024 and signed on its behalf by:

Pallasena Vaidhyanathan Viswanath



Arun Srinivasan



Redington Rwanda Ltd.

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Financial Statements for the year ended 31 March 2024

Statement of Profit or Loss and Other Comprehensive Income

Figures in Frw	Notes	2024	2023
Revenue	13	15,587,754,725	8,992,860,248
Cost of sales	14	(14,390,939,850)	(8,616,294,748)
Gross profit		1,196,814,875	376,565,500
Distribution costs	15	(435,483)	(23,400)
Administrative expenses	16	(96,490,731)	(46,400,765)
Other expenses	17	(325,876,550)	(99,629,225)
Profit from operating activities		774,012,111	230,512,110
Finance costs	18	(1,350,940,966)	(156,142,376)
(Loss) / profit before tax		(576,928,855)	74,369,734
Income & Deferred tax credit / (expense)	19	138,009,601	(25,593,620)
(Loss) / profit for the year		(438,919,254)	48,776,114

Approved by the directors on 1 May 2024 and signed on its behalf by:

Pallasena Vaidhyanathan Viswanath



Arun Srinivasan



Redington Rwanda Ltd.

(Registration Number 102663289)

Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

Figures in Frw	Issued capital	(Accumulated loss) / retained income	Total
Balance at 1 April 2022	600,000	(6,681,015)	(6,081,015)
Changes in equity			
Profit for the year	-	48,776,114	48,776,114
Total comprehensive income for the year	-	48,776,114	48,776,114
Balance at 31 March 2023	600,000	42,095,099	42,695,099
Balance at 1 April 2023	600,000	42,095,099	42,695,099
Changes in equity			
Loss for the year	-	(438,919,254)	(438,919,254)
Total comprehensive income for the year	-	(438,919,254)	(438,919,254)
Balance at 31 March 2024	600,000	(396,824,155)	(396,224,155)

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Redington Rwanda Ltd.

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Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

Figures in Frw

	Note	2024	2023
Cash flows from operations			
(Loss) / profit for the year		(438,919,254)	48,776,114
Adjustments to reconcile (loss) / profit			
Adjustments for income tax expense		(138,009,601)	25,593,620
Adjustments for finance costs		1,350,940,966	156,142,376
Adjustments for decrease / (increase) in inventories		993,705,261	(635,840,234)
Adjustments for decrease / (increase) in trade accounts receivable		307,826,029	(1,445,202,678)
Adjustments for decrease / (increase) in other operating receivables		166,710,351	(299,868,845)
Adjustments for (decrease) / increase in trade accounts payable		(267,305)	13,070,509
Adjustments for increase in other operating payables		503,959,017	2,300,890,990
Adjustments for depreciation and amortisation expense		594,454	323,735
Adjustments for impairment losses and reversal of impairment losses recognised in profit or loss		21,938,571	3,289,564
Adjustments for provisions		172,046,549	84,817,640
Total adjustments to reconcile (loss) / profit		3,379,444,292	203,216,677
Net cash flows from operations		2,940,525,038	251,992,791
Interest paid		(1,350,940,966)	(156,142,376)
Income taxes (paid) / refunded		(30,856,184)	103,262,668
Net cash flows from operating activities		1,558,727,888	199,113,083
Cash flows used in investing activities			
Purchase of property, plant and equipment		(900,000)	(1,380,000)
Cash flows used in investing activities		(900,000)	(1,380,000)
Net increase in cash and cash equivalents		1,557,827,888	197,733,083
Cash and cash equivalents at beginning of the year		480,500,213	282,767,132
Cash and cash equivalents at end of the year	9	2,038,328,101	480,500,215



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Financial Statements for the year ended 31 March 2024

Accounting Policies

1. General information

Redington Rwanda Ltd. ('the company') in importation & distribution of information technology and telecommunication equipments. .

The company is incorporated as a company limited by shares and domiciled in Rwanda. The address of its registered office is Umuji wa Kigali, Gasabo,, Kacyiru, PO Box 1902.

2. Basis of preparation and material accounting policy information

The financial statements of Redington Rwanda Ltd. have been prepared in accordance with International Financial Reporting Standards and the Law No.°007/2021 of 05/02/2021 Governing Companies. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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

2.1 Foreign currency translation

Functional and presentation currencies

The financial statements have been presented in Rwandan Franc. The functional currency of the company is CURRENCY. The presentation currency has been selected because its the local currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains – net'.

2.2 Property, plant and equipment

Definition

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.



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Financial Statements for the year ended 31 March 2024

Accounting Policies

Basis of preparation and material accounting policy information continued...

Recognition

Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement - Cost model

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Measurement base	Useful life / depreciation	
		rate	Depreciation method
Computer equipment	Cost	33.33%	SLM



Redington Rwanda Ltd.

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Financial Statements for the year ended 31 March 2024

Accounting Policies

Basis of preparation and material accounting policy information continued...

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

2.3 Financial instruments

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.

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
- a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include puttable financial instruments classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.



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Accounting Policies

Basis of preparation and material accounting policy information continued...

A financial liability is any liability that is:

- a contractual obligation to deliver cash or another financial asset to another entity to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.
- a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also, for these purposes the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

As an exception, an instrument that meets the definition of a financial liability is classified as an equity instrument if it has all the features and meets the conditions in paragraphs 16A and 16B or paragraphs 16C and 16D of ISA32.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- it is settled at a future date.

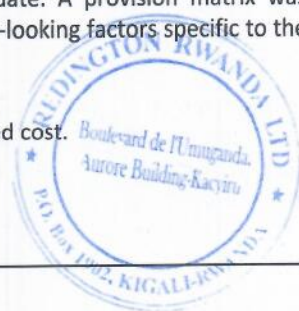
A financial liability at fair value through profit or loss is a financial liability that meets one of the following conditions:

- It meets the definition of held for trading. A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument);
- upon initial recognition it is designated by the entity as at fair value through profit or loss in accordance with paragraph 4.2.2 or 4.3.5
- it is designated either upon initial recognition or subsequently as at fair value through profit or loss in accordance with paragraph 6.7.1

Trade and other receivables

Trade receivables are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses. For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.



Redington Rwanda Ltd.

(Registration Number 102663289)

Financial Statements for the year ended 31 March 2024

Accounting Policies

Basis of preparation and material accounting policy information continued...

Up to 31 March 2023, trade receivables were recognised initially at the transaction price. They were subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables was established when there was objective evidence that the company would not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables were classified as loans and receivables up to 31 March 2023.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

2.4 Inventories

Definition

Inventories are assets:

- held for sale in the ordinary course of business;
- in the process of production for such sale; or
- in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Recognition

Inventories are recognised as an asset when

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the inventories can be measured reliably.

Recognition as an expense

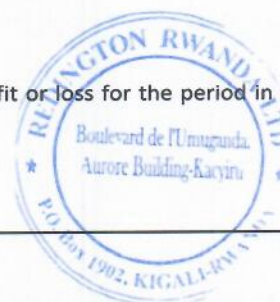
When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised, and the inventory is derecognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and the write-down or reversal is recognised against the expense as indicated above.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end. Movements in this provision are included in the expense recognised as indicated above.

2.5 Tax

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.



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Financial Statements for the year ended 31 March 2024

Accounting Policies

Basis of preparation and material accounting policy information continued...

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- deductible temporary differences;
- the carry forward of unused tax losses; and
- the carry forward of unused tax credits.

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. The amount already paid in respect of current and prior periods which exceeds the amount due for those periods, is recognised as an asset.

The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and deferred tax assets are made to reflect the tax consequences that would follow from the manner in which it is expected, at the end of the reporting period, recovery or settlement if temporary differences will occur.



Redington Rwanda Ltd.

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Financial Statements for the year ended 31 March 2024

Accounting Policies

Basis of preparation and material accounting policy information continued...

Deferred tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same entity within the group or different taxable entities within the group which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax expense (income)

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

2.6 Provisions and contingencies

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

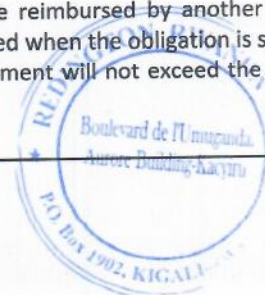
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A provision is recognised when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received when the obligation is settled. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision.



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Financial Statements for the year ended 31 March 2024

Accounting Policies

Basis of preparation and material accounting policy information continued...

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating losses.

The present obligation under an onerous contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when:

- there is a detailed formal plan for the restructuring identifying at least the business or part of a business concerned, the principal locations affected, the location, function, and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken and when the plan will be implemented; and
- there has been raised a valid expectation in those affected that the restructuring will be carried out by starting to implement that plan or announcing its main features to those affected by it.

After initial recognition and until the liability is settled, cancelled or expires, a contingent liability is recognised in a business combination at the higher of the amount that would be recognised as a provision, and the amount initially recognised less cumulative amortisation.

Contingent assets and liabilities are not recognised, but details are disclosed in the notes to the financial statements.

2.7 Revenue from contracts with customers

Revenue is income arising in the course of an entity's ordinary activities.

The company is in the business of [include details of main business activities]. (list revenue streams if applicable)

A contract with a customer is recognised when all of the following criteria are met:

- the contract has been approved and all parties to the contract are committed to performing their respective obligations;
- each party's rights regarding the goods or services to be transferred are identifiable;
- payment terms for the goods or services to be transferred are identifiable;
- the contract has commercial substance; and
- it is probable that the consideration in exchange for the goods or services that will be transferred will be collected.

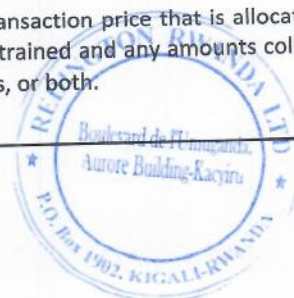
At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:

- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer.

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

Measurement

When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.



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Financial Statements for the year ended 31 March 2024

Accounting Policies

Basis of preparation and material accounting policy information continued...

The company allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to the customer.

The company recognises as an asset the incremental costs of obtaining a contract with a customer if the company expects to recover those costs.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the company recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the company can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- the costs generate or enhance resources of the company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

When either party to a contract has performed, the company presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the company's performance and the customer's payment. The company presents any unconditional rights to consideration separately as a receivable.

2.8 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

2.9 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
 - has control or joint control of the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - Both entities are joint ventures of the same third party;
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - The entity is controlled or jointly controlled by a person identified as a related party;
 - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.



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Financial Statements for the year ended 31 March 2024

Accounting Policies

3. Critical accounting estimates and judgements

Estimates and judgements 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.



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(Registration Number 102663289)

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

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4. Property, plant and equipment

Balances at year end and movements for the year

	Computer equipment	Total
Reconciliation for the year ended 31 March 2024		
Balance at 1 April 2023		
At cost	1,380,000	1,380,000
Accumulated depreciation	(323,735)	(323,735)
Carrying amount	1,056,265	1,056,265
Movements for the year ended 31 March 2024		
Additions from acquisitions	900,000	900,000
Depreciation	(594,454)	(594,454)
Property, plant and equipment at the end of the year	1,361,811	1,361,811
Closing balance at 31 March 2024		
At cost	1,985,000	1,985,000
Accumulated depreciation	(623,189)	(623,189)
Carrying amount	1,361,811	1,361,811
Reconciliation for the year ended 31 March 2023		
Balance at 1 April 2022		
At cost	-	-
Accumulated depreciation	-	-
Carrying amount	-	-
Movements for the year ended 31 March 2023		
Additions from acquisitions	1,380,000	1,380,000
Depreciation	(323,735)	(323,735)
Property, plant and equipment at the end of the year	1,056,265	1,056,265
Closing balance at 31 March 2023		
At cost	1,056,265	1,056,265
Accumulated depreciation	-	-
Carrying amount	1,056,265	1,056,265

5. Inventories

Inventories comprise:

Finished goods

345,772,669 1,361,416,501



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Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

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6. Trade and other receivables

Trade and other receivables comprise:

Trade receivables	1,546,327,182	1,854,153,211
Sundry debtors	(45,405,858)	(26,546,693)
Prepaid expenses	403,076	-
Deposits	346,390	170,585
Other receivables	409,796,440	376,529,293
Related party receivables	-	181,697,214
Total trade and other receivables	1,911,467,230	2,386,003,610

7. Deferred tax

7.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets:

- Deferred tax assets to be recovered after more than 12 months

138,005,291	-
<u>138,005,291</u>	<u>-</u>

Deferred tax liabilities:

- Deferred tax liability to be recovered after more than 12 months

-	(4,310)
<u>-</u>	<u>(4,310)</u>

Net deferred tax assets / (liabilities)

<u>138,005,291</u>	<u>(4,310)</u>
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7.2 Reconciliation of deferred tax movements

Deferred tax **Total**

(Where applicable) if a business combination in which the entity is the acquirer causes a change in the amount recognised for its pre-acquisition deferred tax asset (see paragraph 67), the amount of that change

(Where applicable) if the deferred tax benefits acquired in a business combination are not recognised at the acquisition date but are recognised after the acquisition date (see paragraph 68), a description of the event or change in circumstances that caused the deferred tax benefits to be recognised.

8. Current tax assets

Current tax assets comprise the following balances

Non-current tax liabilities that cannot be set off

32,353,794	1,497,610
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Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

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9. Cash and cash equivalents

9.1 Cash and cash equivalents included in current assets:

Cash

Balances with banks

2,038,328,101 480,500,213

9.2 Net cash and cash equivalents

Current assets

2,038,328,101 480,500,213

10. Issued capital

Authorised and issued share capital

Authorised

600 Ordinary shares of Rwf 1,000 each

600,000 600,000

Issued

600 Ordinary shares of Rwf 1,000 each

600,000 600,000

11. Provisions

Provisions comprise:

Other provisions

291,828,672 119,782,123

Other provisions

291,828,672 119,782,123

Current portion

291,828,672 119,782,123

291,828,672 119,782,123

12. Trade and other payables

Trade and other payables comprise:

Trade payables

12,803,204 13,070,509

Inter company payables

4,679,667,503 4,111,535,431

AP Revaluation BS - TP

(120,786,328) (56,613,273)

Total trade and other payables

4,571,684,379 4,067,992,667

13. Revenue

13.1 Revenue comprises:

Sale of goods

15,587,754,725 8,992,860,248



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Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in Frw

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Revenue continued...

13.2 Sources of revenue

Contracts with customers	15,587,754,725	8,992,860,248
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14. Cost of sales

Cost of sales comprise:

Sale of goods	14,390,939,850	8,616,294,748
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15. Distribution costs

Distribution costs comprise:

Delivery expenses	435,483	23,400
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16. Administrative expenses

Administrative expenses comprise:

Admin and management fees paid	372,000	1,528,450
Annual duty	1,520,000	870,000
Auditors remuneration - Fees	5,742,612	3,222,083
Bank charges & Interests	28,150,792	5,355,922
Computer expenses	97,237	796,759
Office rent	13,726,037	10,873,814
General Office Maintainance	118,800	297,300
Warehouse Expenses	45,854,465	23,233,277
Visa Charges Admin	908,788	223,160
Total administrative expenses	96,490,731	46,400,765



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Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

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17. Other expenses

Other expenses comprise:

Allowance for bad debts	110,153,172	-
Allowances for Slow Moving Inventories	21,938,571	3,289,564
Car Hire Charges	21,535,000	8,663,250
Consulting fees	12,854,821	9,211,353
Depreciation	594,454	323,735
Employee salaries & other expenses	30,889,644	16,259,526
Fines and penalties	-	97,917
Insurance	7,441,223	4,788,982
Promotions	58,900,957	37,194,214
Rounding Off	(2)	-
Staff welfare	1,083,146	1,688,724
Transport	51,495,437	15,697,810
Travel - Overseas	8,990,127	2,414,150
Total other expenses	325,876,550	99,629,225

18. Finance costs

Finance costs included in profit or loss:

Realisex Forex Gain / Loss	1,204,269,313	170,418,834
Unrealisex Forex Gain / Loss	16,806,893	(14,276,458)
Bank Interests	129,864,760	-
Total finance costs	1,350,940,966	156,142,376

19. Income & Deferred tax (credit) / expense

Income tax recognised in profit or loss:

Current tax		
Current year	-	25,589,310
Deferred tax		
Deferred tax	(138,009,601)	4,310
Total income & deferred tax (credit) / expense	(138,009,601)	25,593,620



Redington Rwanda Ltd.

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Financial Statements for the year ended 31 March 2024

Ratio analysis

Figures in Frw

	2024	2023
Liquidity Ratios		
Current Ratio	0.88	1.01
Acid Test Ratio	0.81	0.68
Asset Management Ratios		
The asset management analysis consists of the calculation of five ratios:		
Receivables Turnover – Collection period	7.25	5.94
Days sales in receivables	44.76	96.84
Inventory turnover	16.86	8.24
Days cost of sales in inventory	8.77	57.67
Days purchases in creditors	103.23	166.22
Profitability Ratios		
Gross profit margin	7.68%	4.19%
Return on operating assets	(10.30%)	1.66%
(Loss) / profit for the year	(438,919,254)	48,776,114



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Annual Financial Statements for the year ended 31 March 2024

Income Tax Computation

Figures in Frw

	2024	2023
(Loss) / profit before tax	(576,928,855)	74,369,734
(Loss) / profit from discontinued operations before tax	-	-
Total (loss) / profit before tax	(576,928,855)	74,369,734
Allwance for Bad Debts	110,153,172	-
Allowance for Slow Moving Stock	21,938,571	3,289,564
Income Tax Provision - Prior period	-	97,920
Unrealised Forex (Gain) / Loss	16,806,893	(14,276,458)
Group Life Insurance	516,975	170,585
Staff Welfare	1,083,146	1,688,724
Accommodation Expenses	372,000	1,528,450
Salary & Bonus disallowed	350,422	105,954
Depreciation as per RRA	(870,129)	(338,103)
Depreciation as per Books	594,454	323,735
Forex Gain previously allowed	14,276,458	18,337,597
Medical Insurance	2,342,213	-
WHT Old balances recoverable Written off	65,000,000	-
Payment differences	97,237	-
	<u>232,661,412</u>	<u>10,927,968</u>
Taxable (loss) / income	(344,267,443)	85,297,702
Normal tax	-	25,589,311
Deferred tax	(138,009,601)	4,310
Total per statement of profit or loss and other comprehensive income	(138,009,601)	25,593,621
Less : Assessed tax payments / refunds	(32,353,794)	(27,086,920)
Deferred tax	138,009,601	(4,310)
Total per statement of financial position - (Asset) / Liability	(32,353,794)	(1,497,609)

