

REDINGTON KENYA (EPZ) LIMITED

**REPORTS AND
FINANCIAL STATEMENTS**

31 MARCH 2024

REDINGTON KENYA (EPZ) LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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REDINGTON KENYA (EPZ) LIMITED

CORPORATE INFORMATION

DIRECTORS	Pallasena V Viswanath* Sriram Ganeshan* Arun Srinivasan* Redington Kenya Limited *Indian
SECRETARY	Adili Corporate Services Kenya Certified Public Secretaries (Kenya) ALN House, Eldama Ravine Close, Eldama Ravine Road Westlands P O Box 764 - 00606 Nairobi
REGISTERED OFFICE	Redington Kenya (EPZ) Ltd Whitefield Place, School lane P.O. Box 383-00606 Westlands, Nairobi
PRINCIPAL PLACE OF BUSINESS	Incubator – G2 Athi River EPZ P O Box 383 - 00606 Nairobi
AUDITORS	Deloitte & Touche LLP Certified Public Accountants (Kenya) Deloitte Place Waiyaki Way, Muthangari P O Box 40092 - 00100 Nairobi
BANKERS	NCBA Bank Plc The Mall Branch, Westlands P O Box 44599 - 00100 Nairobi

REDINGTON KENYA (EPZ) LIMITED

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements of Redington Kenya (EPZ) Limited (the "Company") for the year ended 31 March 2024, which disclose the state of affairs of the Company.

ACTIVITIES

The Company imports information technology products for export to neighbouring countries. The Company did not trade during the year and is currently dormant.

RESULTS

	2024 Sh'000	2023 Sh'000
(Loss) for the year	3,336	(3,037)
Taxation charge	(4,923)	(68)
	<u>(1,587)</u>	<u>(3,105)</u>

DIVIDEND

The Directors do not recommend the payment of a dividend for the year (2023: Sh Nil).

CESSATION OF OPERATIONS

The company ceased to carry on business with effect from and including 23 March 2023.

DIRECTORS

The current members of the board are shown on page 2.

DIRECTORS' STATEMENT AS TO THE INFORMATION GIVEN TO THE AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

COMPANY REVIEW

The company continued to be dormant throughout the year and remained so till the date of this report.

REDINGTON KENYA (EPZ) LIMITED

REPORT OF THE DIRECTORS (Continued)

AUDITORS

Deloitte & Touche LLP, having expressed their willingness, continue in office in accordance provisions of section 719 (2) of the Kenyan Companies Act, 2015. The Directors monitor the effectiveness, objectivity and independence of the auditor. The Directors also approve the annual audit engagement contract, which sets out the terms of the auditors' appointment and the related fees.

BY ORDER OF THE BOARD



Adili Corporate Services Kenya LLP

Secretary

Nairobi, Kenya

10 June 2024

REDINGTON KENYA (EPZ) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for that year. It also requires the Directors to ensure that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company, and which disclose, with reasonable accuracy at any time, the financial position of the Company. They are also responsible for safeguarding the assets of the Company, and for taking reasonable steps for prevention and detection of fraud and error.

The Directors accept responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- (i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- (ii) selecting suitable accounting policies and applying them consistently; and
- (iii) making accounting estimates and judgements that are reasonable in the circumstances.

As disclosed in the basis of preparation of the financial statements in Note 1 of these financial statements, the company ceased operations from and including 23 March 2023 and therefore the financial statements have been prepared on a basis other than that of a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of Directors on10 June...2024 and signed on its behalf by:



Pallasena V Viswanath
Director



Arun Srinivasan
Director

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF REDINGTON KENYA (EPZ) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Redington Kenya (EPZ) Limited, (the "Company"), set out on pages 9 to 20, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this 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 Kenya. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Preparation of Financial Statements on a Basis other than that of a Going Concern

Without qualifying our opinion, we draw attention to the basis of preparation of the financial statements in Note 1 which explains that the financial statements have been prepared on a basis other than that of a going concern.

Other Information

The Directors are responsible for the other information, which comprises the report of Directors as required by the Kenyan Companies Act, 2015. The other information does not include the financial statements and our auditors' report thereon.

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



Partners: D.M. Mbogho; A.N. Muraya; F. O. Alco; B.W. Irungu; I. Karim; F. Okwiri; F.O Omondi; F. Mitambo; P. Seroney; D. Waweru; C Luo, E Harunani, J Mureithi

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDINGTON KENYA (EPZ) LIMITED (Continued)

Report on the audit of the financial statements (Continued)

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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.

Responsibilities of the Directors

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015, and for such internal controls as Directors determine are 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. The Directors are responsible for overseeing the company financial reporting process.

Auditors' 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 auditors' 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 judgement and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF REDINGTON KENYA (EPZ) LIMITED (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain responsible for our audit opinion.

We communicate with 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 matters prescribed by the Kenya Companies Act, 2015

In our opinion the information given in the Report of the Directors on pages 3 to 4 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA David Waweru**, Practising certificate No. 2204.



**For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Nairobi**

11 June 2024

REDINGTON KENYA (EPZ) LIMITED

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


	Notes	2024 Sh'000	2023 Sh'000
OTHER INCOME	4	25,619	-
OPERATING EXPENSES	5	(11,253)	(958)
FOREIGN EXCHANGE LOSSES		(11,030)	(2,079)
PROFIT/(LOSS) BEFORE TAXATION		3,336	(3,037)
TAXATION	6(a)	(4,923)	(68)
(LOSS) FOR THE YEAR		(1,587)	(3,105)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(1,587)</u>	<u>(3,105)</u>

REDINGTON KENYA (EPZ) LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	Notes	2024 Sh'000	2023 Sh'000
ASSETS			
Current assets			
Tax recoverable	6(c)	-	732
Receivables	7	-	2,476
Cash and bank balances		579	581
Due from related parties	10(a)	5,390	-
Total assets		<u>5,969</u>	<u>3,789</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	100	100
Accumulated losses		(22,598)	(21,011)
Shareholders' deficit		<u>(22,498)</u>	<u>(20,911)</u>
Current liabilities			
Accruals	9	2,922	360
Tax Payable	6(c)	4,190	-
Due to related parties	10(b)	21,355	24,340
		<u>28,467</u>	<u>24,700</u>
Total equity and liabilities		<u>5,969</u>	<u>3,789</u>

The financial statements on pages 9 to 20 were approved and authorised for issue by the Board of Directors on 10 June 2024 and were signed on their behalf by:


Pallasena V Viswanath
Director


Arun Srinivasan
Director

REDINGTON KENYA (EPZ) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital Sh'000	Accumulated losses Sh'000	Total Sh'000
At 1 April 2022	100	(17,906)	(17,806)
Total comprehensive loss for the year	-	(3,105)	(3,105)
At 31 March 2023	<u>100</u>	<u>(21,011)</u>	<u>(20,911)</u>
At 1 April 2023	100	(21,011)	(20,911)
Total comprehensive loss for the year		(1,587)	(1,587)
At 31 March 2024	<u>100</u>	<u>(22,598)</u>	<u>(22,498)</u>

REDINGTON KENYA (EPZ) LIMITED
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 Sh'000	2023 Sh'000
CASHFLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		3,336	(3,037)
Working capital changes:			
Decrease/(Increase) in receivables		2,476	(2,426)
Increase/(Decrease) in accruals		2,562	(251)
Movement in related party balances		(8,376)	7,237
		<hr/>	<hr/>
Net cash generated (used in) /from operations		(2)	1,524
Tax paid	6	-	(1,466)
		<hr/>	<hr/>
Net cash generated from operating activities		(2)	57
		<hr/>	<hr/>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2)	57
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		581	524
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>579</u>	<u>581</u>
		<hr/>	<hr/>
Represented by:			
Cash and bank balances		<u>579</u>	<u>581</u>

REDINGTON KENYA (EPZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

Adoption of new and revised International Financial Reporting Standards (IFRS)

(i) New standards and interpretations effective in the current period

Various standards interpretations and amendments were effective in the period under review but had no effect on the company's financial statements.

(ii) New and revised standards and interpretations in issue but not yet effective

At the date of authorization of these financial statements, various revised standards and interpretations were in issue but not yet effective. The directors anticipate that the adoption of these standards, interpretations and amendments when effective, will have no material impact on the financial statements of the company.

(iii) Early adoption of standards

The company did not early-adopt any new or amended standards in 2024.

Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The Financial Statements have been prepared on a break-up basis which includes, where company's assets are carried at their realisable values and liabilities at their settlement values.

These accounting policies are consistent with the previous period.

Going concern

As described in the report of the directors on pages 3, the company ceased trading on 23 March 2023 and has since remained dormant. The financial statements have thus been prepared on a breakup basis with all assets been disclosed as current and liabilities as short term.

Section 3 of IAS 1 - Presentation of financial statements requires that the financial statements should not be prepared on a going concern basis if management determines that they intend to liquidate the company or to cease operations. The directors have considered an alternative basis of preparation but believe that IFRS, as a basis for preparation, best reflects the financial position and performance of the company. The carrying amounts of the assets, which were determined in accordance with the accounting policies, have been reviewed for possible impairment including changes that have occurred since the year-end and consideration has been given to whether any additional provisions are necessary as a result of the decision to liquidate the company or cease operations. It is expected that all assets will realize at least the amounts at which they are included in the statement of financial position and there will be no material additional liabilities.

The shareholders intend to make good all liabilities and obligations of the company. It is their intention to continue to provide financial and/or other support to the company with a view to the company being able to meet its liabilities.

Other expenses

Other expenses are recognised in the profit or loss when incurred on an accrual basis.

REDINGTON KENYA (EPZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value.

Contingent liabilities

Contingent liabilities arise if there is a possible obligation; or present obligations that may, but probably will not, require an outflow of economic resources; or there is a present obligation, but there is no reliable method to estimate the monetary value of the obligation.

Financial instruments

Classification

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Initial recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value, plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Trade and other receivables

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

A provision for impairment of receivables is established using an ECL model in line with the requirements of IFRS 9. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is charged to profit or loss. There was no effect on IFRS 9 as the company did not have any financial assets as all assets are held by the parent company.

REDINGTON KENYA (EPZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at a mortised cost, using the effective interest rate method.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Directors have made no estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. 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.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 GOING CONCERN

The directors resolved to transfer the assets of the company to a related entity, Redington Kenya Limited, at the carrying value of the assets. The directors are in the process of winding up this company.

The Financial Statements have been prepared on a break-up basis, where assets are carried at their realisable values and liabilities at their settlement values.

4 OTHER INCOME

Other income relates to the interest earned and received on the import duties refunded by Kenya Revenue Authority (KRA) in July 2023.

	2024 Sh'000	2023 Sh'000
Other Income	25,619	-

5 OPERATING EXPENSES

Auditors' remuneration	509	508
Legal Fees	10,744	442
Bank charges	-	8
	<u>11,253</u>	<u>958</u>

REDINGTON KENYA (EPZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 TAXATION

The Company operates in the Athi River Export Processing Zone and is exempt from corporate taxation hence nil tax charge in 2024. However, it is required to pay tax on separate sources of income in accordance with the Kenyan Income Tax Act.

	2024 Sh'000	2023 Sh'000
(a) Taxation charge		
Current tax charge	4,923	-
Prior year deferred tax under provision	-	68
	<u>4,923</u>	<u>68</u>
(b) Reconciliation of the taxation charge		
Reconciliation between the accounting profit and taxation charge		
Accounting profit/(Loss)	3,336	(3,037)
	<u>1,001</u>	<u>-</u>
Tax at the applicable tax rate of 30% (2022:30%)		
Tax effect of adjustments on taxable Income:		
Expenses not deductible for tax purposes	3,922	-
	<u>4,923</u>	<u>-</u>
(c) Corporate tax payable /(recoverable)		
Tax payable at beginning of the year	(732)	666
Charge for the year	4,923	-
Prior year under provision of tax	-	68
Tax paid	-	(1,466)
	<u>4,190</u>	<u>(732)</u>
Tax payable /(recoverable)		
	<u>4,190</u>	<u>(732)</u>
7 RECEIVABLES		
Other receivables	-	2,476
	<u>-</u>	<u>2,476</u>
8 SHARE CAPITAL		
Authorised, issued and fully paid up: 1,000 ordinary shares of Sh 100 each	100	100
	<u>100</u>	<u>100</u>
9 ACCRUALS		
Accruals	2,922	360
	<u>2,922</u>	<u>360</u>

REDINGTON KENYA (EPZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability to control one party or exercise significant influence over the other party in making financial or operational decisions.

	2024 Sh'000	2023 Sh'000
(a) Due from related parties		
Redington Kenya Ltd	5,390	-
(b) Due to related parties		
Redington Gulf FZE UAE	21,355	24,340

11 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to recognize potential adverse effects on its financial performance.

The finance department under policies approved by the Board of Directors carries out risk management. The Company has policies in place to ensure that sales are made to customers with an appropriate credit history.

Market Risk

(i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities. Monetary assets and liabilities held in foreign currencies are closely monitored to ensure that they are not materially affected by adverse foreign currency fluctuations. The Company's foreign currencies denominated assets and liabilities at the reporting date can be analyzed as follows:

	2024 Sh'000	2023 Sh'000
Foreign Exchange risk		
Financial Assets		
Bank balance	579	581
Due from related parties	5,390	-
Total	<u>5,969</u>	<u>581</u>
Financial Liabilities		
Due to related parties	(21,355)	(24,340)
Currency gap	<u>(15,386)</u>	<u>(23,759)</u>

REDINGTON KENYA (EPZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 FINANCIAL RISK MANAGEMENT (Continued)

Market Risk (Continued)

(i) Foreign exchange risk (Continued)

The following table details the Company's sensitivity to a ten percent increase and decrease in the Sh against the US Dollar. Ten percent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ten percent change in foreign currency rates:

	10% increase Sh'000	10% decrease Sh'000
31 March 2024		
Effect on profit and equity	1,539	2,376
31 March 2023		
Effect on profit and equity	2,376	1,658

(ii) Price risk

The Company does not hold investments that would be subject to price risk; hence, this risk is irrelevant.

(iii) Interest rate risk

The Company does not hold any interest-bearing assets or liabilities; hence is not subject to interest rate risk.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from cash and cash equivalents with banks as well as trade and other receivables. The amount that best represents the Company's maximum exposure to credit risk as at year-end is made up as follows:

	Fully performing Sh'000	Past due Sh'000	Total Sh'000
31 March 2024			
Bank balances	579	-	579
Due from Related Party	5,390	-	5,390
Total	5,969	-	5,969
31 March 2023			
Bank balances	581	-	581

The credit risk on liquid funds with financial institutions is also low, because the counter parties are banks with good credit standing.

REDINGTON KENYA (EPZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash to meet the obligations of the business. The finance manager reviews the cash forecast monthly and determines cash requirement.

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the end of reporting period date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	1-3 months Sh'000
31 March 2024	
Financial Assets	
Due from related parties	5,390
Financial liabilities	
Due to related parties	<u>21,355</u>
31 March 2023	
Financial Assets	
Due from related parties	-
Financial liabilities	
Due to related parties	<u>24,340</u>

12 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

The constitution of capital managed by the Company is as shown below:

	2023 Sh'000	2023 Sh'000
Share capital	100	100
Accumulated losses	<u>(22,598)</u>	<u>(21,011)</u>
Shareholders' deficit	<u>(22,498)</u>	<u>(20,911)</u>

The Company had no debt as at 31 March 2024 (2023: Sh Nil) and was therefore not geared.

REDINGTON KENYA (EPZ) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 CAPITAL COMMITMENTS

The Company had not entered into any capital commitments as at 31 March 2024 and as at 31 March 2023.

14 EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any matters or circumstances arising since the end of the financial period which significantly affect the financial position of the Company or the results of its operations.

15 INCORPORATION

The Company is domiciled and incorporated in Kenya under the Companies Act. The parent Company is Redington Kenya Limited incorporated in Kenya. The ultimate holding Company is Redington Gulf FZE incorporated in the United Arab Emirates.

16 CURRENCY

These financial statements are presented in Kenya Shillings rounded to the nearest thousands (Sh'000), which is also the functional currency.

