Redington South Africa (Pty) Ltd
(Registration number 2011/101022/07)
Annual Financial Statements for the year ended 31st March 2024

The Annual Financial statements have been audited in compliance with the applicable requirement of the Companies Act 71 of 2008.

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(Registration number 2011/101022/07)
Annual Financial Statements for the year ended 31st March 2024

General Information

Country of incorporation and domicile	South Africa
Nature of Business and principal activities	Information technology services
Directors	Srinivasan Arun Viswanath Pallasena Vaidhyanathan Sriram Ganesan Raj Shankar (resigned with effect from 16th May 2022)
Registered office	Midridge Park Corner New & 6th Road Midrand Gauteng 2193
Postal address	Midridge Park Corner New & 6th Road Midrand Gauteng 2193
Holding company	Redington Gulf FZE incorporated in Dubai (UAE)
Bankers	The Standard Bank of South Africa Limited
Auditors	SKX Protiviti, South Africa
Tax reference number	9788/469/15/4
Preparer	The annual financial statements have been prepared by Mr J Anand, Sr. Manager Reporting, Chartered Accountant
Reviewer	Mr Sivanandam Balasubramanian, Head F&A, Africa, MBA Finance
Issued	28 June 2024

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The report and statements set out below comprise the annual financial statements presented to the shareholder:

Annual Financial Statements for the year ended 31st March 2024

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa 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 fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting standards for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied 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 board sets 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 identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanation 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 directors have reviewed the company's cash flow forecast for the year and in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements, The annual financial statements have been examined by the company's external auditors and their report is presented.

The annual financial statements are prepared on the going concern basis, are also approved.

Arun Srinivasan
Director

Viswanath Pallasena
Director

Notes to the Financial Statements
For the period from April 01, 2023 to March 31,2024

Directors' report

The directors have pleasure in submitting their report on the annual financial statement of Redington South Africa (Pty) Ltd for the year ended 31 March 2024.

1. Incorporation

The company was incorporated on 27th July 2011 and obtained its certificate to commence business on same day.

2. Nature of Business

Redington South Africa (Pty) Ltd was incorporated in South Africa with interests in the information technology industry. The company operates in South Africa.

3. Review of Financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting standards for Small and Medium-sized Entities and the requirements of the companies Act of South Africa.

4. Share capital

There have been no changes to the authorized or issued share capital during the year under review.

5. Dividends

Given the current state of the global economic environment, the board believes that it would be more appropriate for the company to conserve cash and maintain adequate debit headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board has resolved not to declare dividend for the financial year ended 31st March 2023

6. Directorate

The directors in Office at the date of this report are as follows:

Directors	Nationality
Viswanath Pallasena	India
Arun Srinivasan	India
Sriram Ganeshan	India

7. Director's interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had interest and which significantly affected the business of the company.

Notes to the Financial Statements
For the period from April 01, 2023 to March 31,2024

8. Property, plant and equipment

There was no change in the nature of property, plants and equipment of the company or in the policy regarding their use.

9. Parent Company

The company's parent company is Redington Gulf FZE, which holds 100% of the company's equity. Redington Gulf FZE is incorporated in Dubai.

10. Borrowing Powers

In terms of the Memorandum of Incorporation, the borrowing powers of the company are unlimited. However all borrowings by the company are subject to board approval as required by the board delegation of authority.

11. Special resolutions

No special resolutions , the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the company, were made by the company during the period covered by this report.

12. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of the report.

13. Going Concern

We have appointed new country head to spearhead our Services business. In Q1 FY 2025, We want to increase focus in market and want to increase the brands & customer base in the country with more concentrated approach. The current country head has South Africa experience and knows the market well to increase our base points for sustaining and bringing in profitability to the business. The business model is the core approach for our business in South Africa.

We seeming to get back the traction with increased involvement of vendor relationship meet with localized talents.
Our Strategy is using relationship and better market experience to pull in business expanding our size locally which we have targeted R20M out of the $1bn market. We have presented our internal plan to our top management team and we have got the mindshare for strategy and investment to have the R20M target achieved in this 12 month period.

Redington wherever we have started across Africa & where we are so successful, is with a similar strategy and effective approach. We now have expanded our team and is also getting aligned to Redington.

Notes to the Financial Statements
For the period from April 01, 2023 to March 31,2024

14. Litigation Statement

The company is not currently involved in any claims or lawsuits, which individually or in aggregate, are expected to have a material adverse effect on the business or its assets.

15. Statement of disclosure to the company's auditor

With respect to each person who is a director on the day that this report is approved:

a) there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware and;

b) the directors have taken all the steps that they ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

16. Acknowledgements

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and customers for their continued support of the company.

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Redington South Africa (Pty) Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Redington South Africa (Pty) Ltd, set out on pages 6 to 28 which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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 Redington South Africa (Pty) Ltd in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 20 in the financial statements, which indicates that the company incurred a net loss of R7 374 299 (2023: 301 334) during the year ended 31 March 2024 and, as of that date, the Company's total liabilities exceeded its total assets by R2 931 049 (2023: Positive 4 443 290). These events, or conditions, along with other matters as set forth in Note 21, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Redington South Africa (Pty) Ltd Annual Financial Statements for the year ended 31 March 2024", and include the directors report. The other information does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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, the Directors are responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the audit considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Dumisani Manana

Director, Registered Auditor

28 June 2024

Statement of financial position As at March 31,2024

	Notes	March, 2024 Rand	March, 2023 Rand
Assets			
Non-current assets			
Property and equipment	4	1,114,816	1,700,362
Deferred tax assets	5	-	973,699
Total non-current assets		**1,114,816**	**2,674,061**
Current assets			
Inventories	6	1,198,125	1,801,801
Due from related parties	8	255,778	32,714,472
Trade and other receivables	7	8,022,083	7,717,444
Cash and cash equivalents	9	625,599	2,501,372
Current tax receivable		150,000	150,000
Total current assets		**10,251,586**	**44,885,090**
Total assets		**11,366,402**	**47,559,151**
Equity & Liabilities			
Equity			
Share capital	10	698,790	698,790
Retained earnings		(3,629,839)	3,744,500
Total Equity		**(2,931,049)**	**4,443,290**
Liabilities			
Current liabilities			
Trade and other payables	11	3,250,351	2,116,502
Due to Related parties	8	11,047,100	40,999,359
Total current liabilities		**14,297,451**	**43,115,861**
Total liabilities		**14,297,451**	**43,115,861**
Total equity and liabilities		**11,366,401**	**47,559,151**

Statement of profit or loss and other comprehensive income
For the period from April 01, 2023 to March 31,2024

	Notes	March, 2024 Rand	March, 2023 Rand
Revenue	14	19,686,496	18,106,445
Changes in inventories of finished goods		(7,038,113)	(6,222,497)
Employee benefits expense		(6,006,465)	(5,651,592)
Depreciation and amortization expenses	13	(595,372)	(447,661)
Other (losses)/gains	15	(222,157)	1,117,991
Other expenses	12	(12,224,990)	(7,321,206)
Finance costs		-	-
Profit / (loss) for the year		**(6,400,600)**	**(418,520)**
Taxation charges	5	**(973,699)**	**117,186**
Total comprehensive income / (loss) for the year		**(7,374,299)**	**(301,334)**

Statement of changes in equity
For the period from April 01, 2023 to March 31,2024

	Share capital	Retained earnings	Total
	Rand	**Rand**	**Rand**
Balance as at 1 April 2022	698,790	4,045,834	4,744,624
Profit / (loss) for the year	-	(301,334)	(301,334)
Balance as at 31 March 2023	698,790	3,744,500	4,443,290
Profit / (loss) for the year	-	(7,374,299)	**(7,374,299)**
Balance as at 31 March 2024	**698,790**	**(3,629,839)**	**(2,931,009)**

Redington South Africa (Pty) Ltd
(Registration number 2011/101022/07)
Annual Financial Statements for the year ended 31st March 2024

Statement of cash flows
For the period from April 01, 2023 to March 31,2024

	Notes	March, 2024 Rand	March, 2023 Rand
Cash flows from operating activities			
Profit/(loss) for the year		(6,400,600)	(418,520)
Adjustments for:			
Depreciation of property and equipment	4	595,372	447,661
Unrealized foreign exchange loss / (gain)		-	2,108,597
Reversal of allowance for slow-moving and inventories	12	186,051	39,641
Impairment losses on financial assets	12	2,606,369	(124,080)
Operating cash flows before movements in working capital		**(3,012,807)**	**2,053,298**
(Increase)/decrease in inventories		417,625	710,872
(Increase)/decrease in trade and other receivables		(2,911,049)	(431,586)
(Increase)/decrease in due from related parties		32,458,694	(15,322,964)
Increase/(decrease) in trade and other payables		1,133,850	(778,156)
Increase/(decrease) in due to related parties		(29,952,260)	15,477,853
Cash (used in)/generated from operations		**(1,865,947)**	**1,709,317**
Tax		-	410,000
Net cash (used in)/ generated from operating activities		**(1,865,947)**	**2,119,317**
Cash flow from investing activities			
Purchase of property and equipment	4	(9,826)	(869,458)
Movement in loan to director, managers and employees		-	-
Purchase of intangible assets		-	-
Proceeds from sale of property and equipment	4	-	-
Net cash used in investing activities		**(9,826)**	**(869,458)**
Cash flows from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		**(1,875,773)**	**1,249,859**
Cash and cash equivalents at the beginning of the year		2,501,372	1,251,513
Cash and cash equivalents at the end of the year	**9**	**625,599**	**2,501,372**

1. Status and operations

Redington South Africa (Pty) Ltd (the "Company") is a limited liability company registered on 27 July 2011 in Gauteng, South Africa. The shareholder of the Company is Redington Gulf FZE (the "Parent Company"), a company incorporated in Jebel Ali Free Zone, holding 100% of the share capital. The Ultimate Parent and controlling party are Redington (India) Limited, India.

Redington South Africa (Pty) Ltd was incorporated in South Africa with interests in the Information technology industry. The Company's registered Office address is P.O. Box 2193, Gauteng, South Africa.

2. Significant accounting policies

Statement of compliance

The annual financial statements have been prepared in accordance with International Financial Reporting standards for Small and Medium-sized Entities and the requirements of the companies Act of South Africa.

Basis of preparation

The annual financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa of South Africa, as amended.

The annual financial statements have been prepared on a historical cost basis and incorporate the principle accounting policies set out below. They are presented in South African Rands.
The significant accounting policies adopted are set out below.

Going concern

The financial performance of the company is set out in the Directors' report and in the statement of comprehensive income. The financial position of the company is set out in the statement of financial position.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

These financial statements comply with the requirements of the South Africa Companies Act 71 of 2008. The statement of comprehensive income represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

The significant accounting policies adopted are set out below.

2. Significant accounting policies (continued)

Revenue recognition

Revenue is recognized to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts

Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates. For the purpose of the financial statements, the results and financial position of the Company are expressed in South African Rand (ZAR), which is the functional currency of the Company, and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any recognized impairment loss. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit or loss when incurred. The cost of property and equipment is depreciated using the straight-line method over their estimated useful lives as follows:

Useful lives	
Furniture and fixtures	4 - 10
Motor Vehicles	3 - 5
Electrical equipment	3 - 5
Warehouse equipment	3 - 5
Leasehold improvements	3 - 5
Office equipment	5 - 8
Networking Equipment	3 - 5

2. Significant accounting policies (continued)

Property and equipment (Continued)

The estimated useful lives and depreciation method are reviewed at each reporting date with the effect of any changes in estimate accounted for on a prospective basis.

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

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

Inventories

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

Provisions

Provisions are recognized 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 recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When 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 the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In this case, the tax is also recognized in other comprehensive income or equity.

Current tax

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

2. Significant accounting policies (continued)

Deferred tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and tax credits and unused tax losses can be utilized.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recoverable entirely through sale unless presumption is rebutted. The presumption is rebutted when the investment property is depreciable and held within a business model whose objective is to consume substantially all its economic benefits embodied in it over time rather than through sale.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

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

2. Significant accounting policies (continued)

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized 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 recognized financial assets are measured subsequently in their entirety at amortized cost.

i)Amortized cost and effective interest rate method

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

The amortized 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 amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

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

Impairment of financial assets

The Company always recognizes lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the 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 recognizes 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 recognized 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.

2. Significant accounting policies (continued)

Financial instruments (Continued)

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.

ii) 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. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

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:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations

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.

iii) Definition of default

The Company employs statistical models to analyze 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.

2. Significant accounting policies (continued) Financial instruments (Continued)

iv) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

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

v) 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.

vi) Measurement and recognition of expected credit losses

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

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the 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 derecognizes a financial asset only when the contractual rights to the cash flow 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2. Significant accounting policies (continued) Financial instruments (Continued)

Financial liabilities

Financial liabilities measured subsequently at amortized cost

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

The effective interest method is a method of calculating the amortized 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 amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes 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 derecognized and the consideration paid and payable is recognized in profit or loss.

3. Critical accounting judgments and key sources of estimation uncertainty

Critical judgements in applying accounting policies

The following is the critical judgement (apart from those involving estimations, which are dealt with below) that the management has made in the process of applying the Company's accounting policies, which are described in Note 3 to the financial statements, and that has the most significant effect on the amounts recognized in the financial statements.

Warranties

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

Key sources of estimation uncertainty

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

3. Critical accounting judgments and key sources of estimation uncertainty (continued) Key sources of estimation uncertainty (Continued)

Provision for impairment of trade receivables

The Company reviews its receivables to assess adequacy of provisions at least on an annual basis. The Company's credit risk is primarily attributable to its trade receivables. In determining whether provisions should be recognized, the Company makes an estimate of the collectible amount when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of time past due, based on ECL on such receivables.

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.

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 Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Allowance for slow-moving inventories

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

4 Property and equipment

	Furniture and fixtures	Computers	Networking Equipment	Motor vehicle	Warehouse equipment	Office Equipment	Total Rand
Cost							
At 31 March 2022	**4,713,086**	**293,071**	**624,563**	**1,396,715**	**79,858**	**2,240,933**	**9,348,226**
Additions	434,921	-	116,219	261,782	-	56,536	869,458
Disposals	(26,064)	-	-	-	-	-	(26,064)
At 31 March 2023	**5,121,943**	**293,071**	**740,782**	**1,658,498**	**79,858**	**2,297,469**	**10,191,620**
Additions	-	-	-	-	-	9,826	9,826
Disposals	-	-	-	-	-	-	-
At 31 March 2024	**5,121,943**	**293,071**	**740,782**	**1,658,498**	**79,858**	**2,307,295**	**10,201,446**
	Accumulated depreciation						
At 1st April 2022	**3,854,804**	**293,071**	**296,095**	**1,396,715**	**75,482**	**2,127,431**	**8,043,598**
Charge for the year	237,859	-	135,370	20,017	4,376	50,038	447,661
Disposals	-	-	-	-	-	-	-
At 31 March 2023	**4,092,663**	**293,071**	**431,465**	**1,416,732**	**79,858**	**2,177,469**	**8,491,258**
							-
Charge for the year	287,557	-	173,916	87,147	-	46,753	595,372
Disposals	-	-	-	-	-	-	-
At 31 March 2024	**4,380,220**	**293,071**	**605,381**	**1,503,879**	**79,858**	**2,224,221**	**9,086,630**
Carrying amount							
At 31 March 2024	**741,722**	**-**	**135,401**	**154,619**	**-**	**83,074**	**1,114,816**
Carrying amount							
At 31 March 2023	**1,029,279**	**-**	**309,317**	**241,766**	**-**	**120,000**	**1,700,362**

	March, 2024 Rand	March, 2023 Rand
5 Taxation		
Major components of the tax expense (income)		
Current		
Local income tax - current period	-	-
Local income tax - recognised in current tax for prior periods	-	-
	-	-
Deferred		
Benefit of unrecognised tax loss		55,528
Deferred tax on accrued expenses		(102,540)
Deferred tax on doubtful debts provision		
Reversal of opening deferred tax asset	973,699	(70,173)
	973,699	**(117,186)**
	973,699	**(117,186)**

Reconciliation of the tax expense

	March, 2024 Rand	March, 2023 Rand
Reconciliation between accounting profit and tax expense.		
Accounting profit (loss)	(7,065,964)	(418,520)
Tax at the applicable tax rate of 28% (2023: 28%)	(1,978,470)	(117,186)
Tax effect of adjustments on taxable income		
Losses available for set off against future taxable income	-	55,528
Losses brought forward	-	(722,256)
Assessed loss carried forward	-	666,728
Provision for doubtful debts - current year	-	189,963
Provision for doubtful debts - prior year	-	(73,021)
Doubtful debt allowance (s11(j)) - current year	-	(65,024)
Doubtful debt allowance (s11(j)) - prior year	-	18,255
Accrued expenses current year (unpaid)	-	155,104
Originating and reversing temporary difference on accrued expenses prior year	-	(52,564)
Capital losses brought forward	-	(33,660)
Capital losses carried forward	-	33,660
Prior period taxation adjustment	-	-
Deferred tax on accrued expenses	-	(102,540)
Movement in provision for doubtful debts	-	(70,173)
	(1,978,470)	**(117,186)**

Tax paid

	March, 2024 Rand	March, 2023 Rand
Balance at beginning of the year	150,000	560,000
Current tax for the year recognised in profit or loss	-	-
Balance at end of the year	(150,000)	(150,000)
	-	**410,000**

Deferred tax asset		
Originating and reversing temporary differences on provision for doubtful debts	-	124,939
Originating and reversing temporary differences on capital losses	-	26,928
Originating and reversing temporary differences on accrued expenses	-	155,104
Deferred tax balance from temporary differences other than unused tax losses	**-** **-**	**306,971**
Tax losses available for set off against future taxable income	-	666,728
Total Deferred tax asset	**-**	**973,699**

The deferred tax assets and the deferred tax liability relate to income tax jurisdiction, and the law allows net settlement.

6 Inventories	**March, 2024 Rand**	**March, 2023 Rand**
Goods held for sale	1,431,875	1,849,500
Allowance for slow moving and obsolete inventories	(233,750)	(47,699)
Goods in transit	-	-
	1,198,125	**1,801,801**

Movement in allowance for slow moving and obsolete inventories:

Balance at the beginning of the year	47,699	8,058
Reversal of allowance for slow moving and obsolete inventories (Note no 12)	186,051	39,641
Balance at the end of the year	**233,750**	**47,699**

7 Trade and other receivables

	March, 2024 Rand	**March, 2023 Rand**
Trade receivables	9,589,944	6,869,933
Less: Impairment losses	(2,732,518)	(126,149)
	6,857,426	6,743,784
Prepayments	763,848	446,064
Refundable deposits	421,468	421,469
Margin deposits	-	-
Other receivables	(20,658)	106,128
	8,022,084	**7,717,444**

Trade and other receivables (Continued)

The Company measured the allowance for doubtful debts at an amount equal to lifetime ECL. The ECL on trade receivables 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 Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

8 Related party transactions

The Company enters into transactions with the Parent Company, companies and entities that fall within the definition of a related party as contained in Section 33 Related Party Disclosures. Related parties comprise the Parent Company, companies and entities under common ownership and/or common management and control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.
At the end of the reporting period, amounts due from related parties were as follows:

	March, 2024 Rand	March, 2023 Rand
Due from related parties		
Redington Middle East LLC	-	10,417
Redington South Africa Distribution	255,778	
Ensure Gulf FZE	-	32,704,055
	255,778	**32,714,472**

The management of the Company estimates the allowance on due from related party balances at each reporting date at an amount equal to lifetime ECL. None of the receivable balances from related parties at each reporting date are past due, and taking into account the historical default experience and the future prospects of the industries in which the related parties operate, management of the Company consider that

There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowance for balances due from related parties. The settlement of the related party balances is guaranteed by the ultimate controlling party through their centralized treasury

At the end of the reporting period, amounts due to related parties were as follows:

Due to related parties	March, 2024 Rand	March, 2023 Rand
Redington Middle East LLC	532,301	245,679
Ensure Gulf FZE	8,868,101	40,403,334
Redington Kenya Limited	-	4,849
Cadensworth FZE	1,646,698	345,498
	11,047,100	**40,999,359**

8 Related party transactions (Continued)

Balance with related parties are all current, interest-free, unsecured and have no fixed repayment terms.

Transactions

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

	March, 2024 Rand	March, 2023 Rand
Sales		
Redington Middle East LLC	42,951	9,006
Ensure Gulf FZE	387,529	465,605
Redington South Africa Distribution	144,606	
Purchases		
Redington Middle East LLC	361,110	207,918
Cadensworth FZE	1,271,482	407,016
Redington Qatar Distribution	8,348	-
Ensure Technical Services Abudhabi	-	-

Compensation of key management personnel

The Company is managed directly by the key management personnel of the Parent Company, which does not recharge key management remuneration to the Company.

9 Cash and cash equivalents

	March, 2024 Rand	March, 2023 Rand
Cash on hand	-	3,313
Bank balances - current accounts	625,599	2,498,059
	625,599	**2,501,372**

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, the management of the Company estimates the loss allowance on balances with banks at the reporting date at an amount equal to lifetime ECL.

None of the balance with banks at the end of the reporting period are past due and taking into account the historical default experience and the management of the Company, we have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

10 Share capital

	March, 2024 Rand	March, 2023 Rand
Authorized, issue and paid-up share capital		
Issued		
100 shares of 1 each	100	100
Share premium	698,690	698,690
	698,790	**698,790**

11 Trade and other payables

	March, 2024	March, 2023
	Rand	Rand
Trade payables	2,538,802	1,607,564
Accrued expenses	711,549	508,938
Advances from customers	-	-
Value added tax	-	-
Other payables	-	-
	3,250,351	**2,116,502**

12 Other expenses

	March, 2024 Rand	March, 2023 Rand
Advertising costs	-	38,000
Rent	1,507,270	1,913,110
Exchange loss	550,371	1,046,488
Consultancy fees	854,252	643,099
Insurance expense	752,798	384,886
Transportation expense	921,391	679,172
Impairment losses on financial assets	2,606,369	(124,080)
Reversal of allowance for slow-moving inventories (Note 6)	186,051	39,641
Miscellaneous	1,177	1,262
Electricity charges	481,682	275,099
Repairs and Maintenance	517,981	500,191
Communication expenses	121,072	169,847
Watch and ward	1,199,737	760,276
Legal and Professional	4,989	7,823
Travel	10,335	6,330
Bank charges	14,797	47,764
Other expenses	2,494,717	932,297
	12,224,990	**7,321,206**

13 Depreciation and amortisation expenses

	March, 2024 Rand	March, 2023 Rand
Depreciation of property and equipment (Note 4)	595,372	447,661
	595,372	**447,661**

14 Revenue

	March, 2024 Rand	March, 2023 Rand
Revenue from Customers		
Sale of goods	19,686,496	18,106,445
	19,686,496	**18,106,445**

15 Other (gains)/losses	**March, 2024 Rand**	**March, 2023 Rand**
Other income	-	1,117,991
Other (losses)/gains	222,157	-
	222,157	**1,117,991**

16 Financial instruments and risk management Significant accounting policies

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the financial statements

Categories of financial instruments	**March, 2024 Rand**	**March, 2023 Rand**
Financial assets		
Cash and cash equivalents	625,599	2,501,372
Due from related parties	255,778	32,714,472
Trade and other receivables	7,258,236	7,271,381
Financial liabilities		
Due to related parties	11,047,100	40,999,359
Trade and other payables	2,538,802	1,607,564
Fair value of financial instruments		

Fair value of financial instruments

The Management determined that the carrying values of financial assets and financial liabilities approximate their fair values in the statement of financial position as at the reporting date.

Financial risk management objectives

The Company's overall financial risk management program, which relies on the involvement of senior management, seeks to minimize potential adverse effects of financial performance of the Company. The management provides guidelines for overall financial risk management covering specific areas, such as market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. Periodic reviews are undertaken to ensure that the management’s guidelines are complied with.

Interest risk

The Company does not have any significant exposure to interest rate risk as there are no interest-bearing financial instruments.

Foreign currency risk

The carrying amounts of the Company’s financial assets and liabilities denominated in foreign currencies at the reporting date are as follows:

Foreign currency risk (Continued)

	March, 2024 Rand	March, 2023 Rand
Financial assets		
Cash and cash equivalents		-
Due from related parties		46,639,182
Trade and other receivables	8,192,220	12,801,144
	8,192,220	**59,440,326**
Financial liabilities		
Due to related parties	10,791,322	13,837,924
Trade and other payables	483,314	673,140
	11,274,636	**14,511,064**
Currency gap	**(3,082,416)**	**44,929,262**

The following table details the Company's sensitivity to a 10% increase and decrease in the exchange rate of South African Rand (RAND) against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates:

	March, 2024 Rand	
	10% increase	**10% decrease**
Effect on Profit	(308,242)	308,242

	March, 2023 Rand	
	10% increase	**10% decrease**
Effect on Profit	4,492,926	(4,492,926)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposure to outstanding trade receivables. The management of the Company has implemented centralized procedures for credit control. Credit risk is minimized through a conservative credit policy. Individual counter-party limits are set in accordance with the credit policy.

Credit risk

The Company’s exposure to credit risk is closely monitored and the aggregate value of transactions concluded is spread amongst counterparties. Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regularly. Due to the risk on transactions in the countries in which the Company operates, management will, based on past experience and level of risk associated with these transactions, make an allowance for losses on such transactions should they consider it necessary.

Ongoing credit evaluation is performed on the financial condition of trade receivable. Further details of credit risk on trade receivables are discussed in Note 7 to the financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

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

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

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the General manager which has built an appropriate liquidity risk management framework for the management of the Company’s short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

All of the Company’s financial assets and financial liabilities are due to be settled within one year from the reporting date.

17. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2022.

Having considered the structure and magnitude of the Company, the management has decided that the capital structure should be limited to equity comprising issued capital, reserve and retained earnings.

18. Contingent liabilities

The Company does not have any contingent liabilities during the year

19. Dividends

The company has not declared any dividend to the shareholders during the year

20. 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.

21. Going Concern

The company made a loss amounting to R7 374 299 (2023: R301 334), and the company's liabilities exceed assets by an amount of R2 931 049 (2023: Positive R4 443 290). These matters indicate existence of factors that way cause doubt about the company's ability to continue as a going concern.
To remedy the situation and to make the company profitable and solvent, management took the steps below:

> The company appointed new country head to spearhead our Services business. In Q1 FY 2025, We want to increase focus in market and want to increase the brands & customer base in the country with more concentrated approach. The current country head has South Africa experience and knows the market well to increase our base points for sustaining and bringing in profitability to the business. The business model is the core approach for our business in South Africa.
>
> The business is expected to get back the traction with increased involvement of vendor relationship meet with localized talents.
> The company's strategy is using relationship and better market experience to pull in business expanding our size locally which we have targeted R20M out of the $1bn market. We have presented our internal plan to our top management team, and we have got the mindshare for strategy and investment to have the R20M target achieved in this 12-month period.
>
> Redington, started operations across Africa & other markets and is successful, with a similar strategy and effective approach.

22. Approval of financial statements

The financial statements for the year ended 31 March 2024 were approved and signed by the Director on behalf of the shareholders on 28th June 2024.