Redington Distribution Company
"Limited Liability Company"

Financial Statements
For The Year Ended 31 March 2024

And Auditor's Report

Redington Distribution Company
"Limited Liability Company"
Financial Statement for The Year Ended 31 March 2024

Index

Rashed, Badr & Co.
Accountants and business advisers

95 Hafez Ramadan , 10th floor
Nasr City , Cairo , Egypt
Tel(23546574|23547340(202|
info@pkf.com.eg
www.pkf.com.eg

Translated from Arabic

Auditor's Report
To The Partners of Redington Distribution Company "L.L.C"

Report on the Financial Statements
We have audited the accompanying financial statements of **Redington Distribution Company "L.L.C"** which comprise the statement of financial position as at 31 March 2024, and the statements of profit or loss, other comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
These financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor 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 on the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of as **Redington Distribution Company "L.L.C"** as at 31 March 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

Other matter

The Company's financial statements for the year ended 31 March 2023 were audited by another auditor who issued an unqualified audit report dated 8 October 2023.

Report on other legal and regulatory requirements

The Company maintains proper books of accounts, which include all that is required by law and by the statutes of the Company, the financial statements are in agreement thereto. The Company maintains proper costing accounts; the inventory was counted by management in accordance with the methods in practice.

The financial information included in the General Manager report, prepared in accordance with Law No. (159) of 1981 and its executive regulations, is in agreement with the Company's books of account.

Auditor
Hany Fouad Rashed

EFSA (294)
CBE (452)
RAA (11771)
PKF Rashed, Badr & Co.

Cairo :27 June 2024

Redington Distribution Company
"Limited Liability Company"
Statement of Financial Position
As of 31 March 2024

	Notes No.	31 March 2024 EGP	31 March 2023 EGP
Assets			
Non current assets			
Property, plant and equipment (Net)	(4)	5 012 084	6 161 485
Right of use assets	(5.1)	6 431 715	10 006 822
Investment in gold	(6)	-	12 479 895
Total non current assets		**11 443 799**	**28 648 202**
Current Assets			
Inventories	(7)	100 257 048	117 104 758
Due from related parties	(8)	64 271 360	31 304 647
Trade & other receivables	(9)	276 448 925	540 220 303
Cash and Cash equivalent	(10)	284 845 897	648 143 618
Total current assets		**725 823 230**	**1 336 773 326**
Total assets		**737 267 030**	**1 365 421 528**
Owners' equity & Liabilities			
Owners' equity			
Paid capital	(11)	2 000 000	2 000 000
Legal reserve		902 443	902 443
Retained earnings		(29 596 500)	7 372 335
Net profit / (loss) for the year		126 303 945	(36 968 835)
Total owners'equity		**99 609 888**	**(26 694 057)**
Non current Liabilities			
Lease Liability - Long term portion	(5.2)	4 963 785	6 495 047
Deferred tax Liability		215 136	300 449
Total non current Liabilities		**5 178 921**	**6 795 496**
Current Liabilities			
Trade and other payables	(12)	240 098 392	80 326 242
Due to related parties	(8)	389 012 087	1 237 976 152
Lease Liability - Short term portion	(5.2)	2 531 583	4 330 032
Income Tax payable	(13)	97 961	56 994 523
Provisions	(14)	738 198	5 693 140
Total current liabilities		**632 478 220**	**1 385 320 089**
Total Liabilities		**637 657 141**	**1 392 115 585**
Total Owners' equity & Liabilities		**737 267 030**	**1 365 421 528**

The accompanying notes are an integral part of these financial statements

Auditor's report "attached",

Financial Manager

ريدنجتون للتوزيع
19 El Shahid Helmy Elmasry st.
Heliopolis,cairo

Redington Distribution Company

"Limited Liability Company"

Statement of Profit or Loss

For The Year Ended 31 March 2024

	Notes .No	Financial Year 31 March 2024 EGP	Financial Year 31 March 2023 EGP
Sales Revenue	(15)	1 127 048 399	1 612 306 522
Cost of Sales	(16)	(807 652 993)	(1 208 205 960)
Gross profit		**319 395 406**	**404 100 562**
(Less)/Add			
Selling & Distribution expenses		(41 283 531)	(31 428 296)
General & Administrative expenses		(40 436 331)	(36 557 419)
Gain on right of use		-	14 182
Used allowance for slow moving inventory		12 623 371	(11 437 710)
Inventory write off		(2 197)	-
Expected credit loss of trade receivable		(11 803 099)	(25 620 872)
Provisions formed during the year	(14)	(537 039)	(5 361 733)
Capital (loss)		-	(166 632)
Interest Lease		(674 741)	(1 352 181)
Operating profit		**237 281 839**	**292 189 901**
Add/(Less)			
Realized Foreign currency exchange differences		(488 005 899)	(109 876 142)
Unrealized Foreign currency exchange differences		338 284 522	(199 049 469)
Change in fair value of investment in gold		-	1 700 000
Other income	(17)	38 658 170	35 255 401
Net profit / (loss) for the year before Tax		**126 218 632**	**20 219 691**
(Less)			
Current income tax		-	(56 994 523)
Deferred income tax		85 313	(194 003)
Net profit / (loss) for the year		**126 303 945**	**(36 968 835)**
Basic loss / earning per quota (L.E/ quota)		**632**	**(185)**

The accompanying notes are an integral part of these financial statements

Auditor's report "attached",

Financial Manager

19 El Shahid Helmy Elmasry st.
Almaza Heliopolis,cairo
CR:103399

Redington Distribution Company

"Limited Liability Company"

Other comprehensive income

For The Year Ended 31 March 2024

	Financial Year 31 March 2024	Financial Year 31 March 2023
	EGP	EGP
Net profit / (loss) for the year	126 303 945	(36 968 835)
Add / (less)		
Other comprehensive income	-	-
Total comprehensive income for the year	**126 303 945**	**(36 968 835)**

The accompanying notes are an integral part of these financial statements

Auditor's report "attached",

Financial Manager

ريدنجتون للتوزيع
19 El Shahid Helmy Elmasry st.
Almaza. Heliopolis,cairo
CR:103399
Redington Distribution

Redington Distribution Company

"Limited Liability Company"

Statement of Changes in Equity

For The Year Ended 31 March 2024

	Issued and paid up capital	Legal Reserve	Retained Earnings	Net Profit / (loss) for the year	Total
	EGP	EGP	EGP	EGP	EGP
Balance at 1 April 2022	2 000 000	902 443	24 480 325	(17 107 990)	10 274 778
Transfer to legal reserve	-	-	-	-	-
Transfer to retained earnings	-	-	(17 107 990)	17 107 990	-
Net (loss) for financial year ended 31 March 2023	-	-	-	(36 968 835)	(36 968 835)
Balance at 31 Marh 2023	2 000 000	902 443	7 372 335	(36 968 835)	(26 694 057)
Balance at 1 April 2023	2 000 000	902 443	7 372 335	(36 968 835)	(26 694 057)
Transfer to retained earnings	-	-	(36 968 835)	36 968 835	-
Net loss for financial year ended 31 March 2024	-	-	-	126 303 945	126 303 945
Balance at 31 March 2024	2 000 000	902 443	(29 596 500)	126 303 945	99 609 888

The accompanying notes are an integral part of these financial statements

Auditor's report "attached",

Financial Manager

ريدنجتون للتوزيع

19 El Shahid Helmy Elmasry st. Almaza, Heliopolis,cairo

CR:103399

Redington Distribution

Redington Distribution Company
"Limited Liability Company"
Statement of Cash Flows
For The Year Ended 31 March 2024

	Financial Year 31 March 2024 EGP	Financial Year 31 March 2023 EGP
Cash flows from operating activities		
Net profit for the year before tax	126 218 632	20 219 691
Adjustments		
Depreciation of Property and equipment	1 662 332	789 258
Amortization of right of use asset	3 194 928	2 986 252
Write down on inventory	-	11 437 710
allowance for slow moving & obsolete inventories used during the year	(12 623 371)	-
Expected Credit loss of accounts receivable	11 803 099	25 620 872
Provision	537 039	5 361 733
Loss on sale of property and equipment	-	166 632
Gain on sale of right of use	-	(14 182)
Interest lease	674 741	1 352 181
Change in fair value of investment in gold	-	(1 700 000)
Net Profit from GOLD Investment sold	(5 025 145)	-
Unrealized foregin exchange gain or loss		192 318 622
	126 442 256	**258 538 769**
Change in:		
Inventories	29 471 081	23 529 793
Trade & other receivables	251 968 279	(124 280 521)
Due from related parties	(32 966 713)	(6 421 051)
Trade and other payables	159 772 150	(65 385 523)
Due to related parties	(848 964 065)	348 935 086
Used from provision of leave	(5 491 979)	(149 574)
Paid income tax	(56 896 562)	
Net cash flows (used in) provided from operating activities	**(376 665 554)**	**434 766 979**
Cash flow from investing activities		
Purchase of property and equipment	(518 109)	(4 473 596)
Proceeds from sale of property and equipment	5 178	44 495
Purchase of investment in gold	-	(10 779 895)
Proceeds from sale investment in gold	17 505 040	-
Net cash flows (used in) investing activities	**16 992 109**	**(15 208 996)**
Cash flow from financing activities		
Repayment of lease liabilities	(4 222 909)	(3 728 507)
Disposal of right of use asset	598 633	(84 753)
Net cash flows (used in) investing activities	**(3 624 276)**	**(3 813 260)**
Net changes in cash and cash equivalents during the year	**(363 297 721)**	**415 744 723**
Cash and cash equivalents at the beginning of the year	648 143 618	232 398 895
Cash and cash equivalents at year end	**284 845 897**	**648 143 618**

The accompanying notes are an integral part of these financial statements
Auditor's report "attached",

Financial Manager

1. General information

Redington Distribution Company (L.L.C.) (the "Company") is a limited liability company registered on March 14, 2017, no. 103399 commercial register investment Cairo.
The shareholders of the Company are Redington Egypt LLC and Amira Mohamed Asem Mostafa.

The Company was established for the purpose of selling, distributing and importing computer equipment, accessories and spare parts thereof, designing and developing computer programs and equipment for service centres, setting up and operating centres for the preparation, training and development of human resources,
import and export and commercial agencies, general trade and distribution for all that is legally permitted.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1. Basis of preparation

The financial statements of the Company have been prepared in accordance with Egyptian Accounting Standards (EASs) and applicable Egyptian laws and regulations. The financial statements have been prepared under the historical cost basis.

The preparation of financial statements in conformity with EAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Note (3) shows the critical estimates and assumptions used in the preparation of these financial statements.

The EAS require reference to the International Financial Reporting Standards (IFRS) when there are no EAS, or legal requirements that address the treatment of specific transactions and events.

2.2. Statement of compliance and amended accounting framework

The Minister of Investment's decree No. (110) of 2015 was issued on July 9, 2015. It has been decided to replace and supersede the former Egyptian Accounting Standards for the preparation and presentation of financial statements with the new revised version of Egyptian Accounting Standards. The implementation of the former Egyptian Accounting Standards issued by Ministerial Decree No. 243 of 2006 was cancelled, starting the effective date of applying this Decree. This Decree was published in the Official Gazette and shall be effective as of the first day of January 2016 and will be applied on the entities whose fiscal year starts on or after this date.

On March 18, 2019, the Minister of Investment and International Cooperation issued the ministerial decree No. (69) of 2019 amending some provisions of the Egyptian Accounting Standards issued by virtue of Decree No. 110 of 2015, which included new accounting standards and introducing amendments to certain existing standards published in the official gazette on 7 April 2019.

On September 20, 2020, the Prime Minister issued the decree No. (1871) of 2020 postponing the application of the new Egyptian Accounting Standards No. (47) "Financial Instruments", (48) "Revenue from Contracts with Customers" and (49) "Lease Contracts", to be applied on the financial statements issued for the periods commence on or after January 1, 2021.

On April 27, 2022, the Prime Minister issued a Decree amending certain provisions of the Egyptian Accounting Standards, by Adding Annex (B) to the Egyptian Accounting Standard No. (13) (EAS 13) "Impact of changes in foreign currency exchange rates". This annex aims to set a special accounting treatment for addressing the impact of the exceptional economic decision related to the increase in exchange rates, by setting an additional temporary option for paragraph No. (28) of EAS 13 "Impact of changes in foreign currency exchange rates", which requires recognizing the foreign exchange differences in the statement of profit or loss for the relevant period, and instead, entities that have outstanding balances of liabilities denominated in foreign currency, which are related to property, plant and equipment, investment property, intangible assets (other than goodwill)and exploration and evaluation assets, acquired during the period from January 2020 until the date ot change in foreign exchange rates, shall be allowed to recognize the debit foreign exchange differences resulting from the revaluation of such liabilities within the cost of the related assets. This treatment also allows the entity to recognize the credit and debit foreign exchange differences resulting from the revaluation of monetary assets and liabilities in foreign currency, which were outstanding as at the date of devaluation, within the other comprehensive income.

The Prime Minister issued resolution No. 883 of 2023 amending Egyptian accounting standards and amending Minister of Investment Resolution No. 110 of 2015 regarding Egyptian accounting standards and its amendments and regarding the following:

1. Egyptian Accounting Standard No. (10), amended in 2023, "Fixed Assets and their Depreciation."
2. Egyptian Accounting Standard No. (35) amended in 2023 "Agriculture".
3. Egyptian Accounting Standard No. (36) amended in 2023 "Exploration for and Evaluation of Mining Resources".
4. Egyptian Accounting Standard No. (50) amended in 2023 "Insurance Contracts".

2.3. Significant accounting policies

A. 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	5 years
Vehicles	5 years
Office equipment	8 years
Computers	5 years

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 the asset.

The gain or loss arising from 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.

B. Investment in gold

Investment in gold is initially measured at cost, Subsequently, at the end of each reporting period, the company remeasure the gold at fair value at the Egyptian Market and account for any changes in statement of profit or loss.
The company classifies it as non-current assets as it has indefinite useful life and the main purpose is to store value, to get income from its capital appreciation.

C. Impairment of non-financial assets

At each reporting date, the Company's management reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it is carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit or loss.

D. Lease

The Company as lessee

The Company assesses whether the contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less lease incentives.
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- the amount expected to be payable by the lessee under residual value guarantees.
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company made one adjustment during the period presented arising from the changes in lease payments agreed with the lessor.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use of asset are presented as a separate line item in the statement of financial position

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease Liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss and other comprehensive income.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

E. Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Egyptian pound, which is the functional and presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the financial statements date, monetary assets and liabilities denominated in foreign currencies are translated to Egyptian pound at the exchange rates prevailing at the end of the reporting period. The resulting differences are charged to the statement of profit or loss.

F. 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.

G. Financial instruments

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

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

Financial assets-recognition, measurement, and classification All financial assets recognized initially at fair value and subsequently measured at either amortized cost or fair value, depending on the classification of the financial asset.

Classification of financial assets Debt instruments that meet the following conditions are subsequently measured at amortized cost:

• The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; And

• The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Generally, cash and cash equivalents, accounts receivable, and other debit balances, as well as amounts due from related parties are measured at amortized cost. All other financial assets are subsequently measured at fair value. Financial assets are classified into the following categories, which are subsequently measured according to the following:

A- Financial assets at fair value through the statement of profit or loss

Net gains and losses, including any interest or dividend income, are recognized in the statement of profit or loss.

B- Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by the amount of the impairment loss, if any. Interest income, foreign currency translation gains and losses, and impairment are recognized in the statement of profit or loss.

C- Equity investments at fair value through other comprehensive income
These assets are measured at fair value through other comprehensive income if the following conditions are met:
• The asset is held within a business model whose objective is to hold assets to collect contractual cash flows as well as cash flows from sales of that asset; And
• The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Dividends are recognized as income in the statement of profit or loss unless the dividends clearly represent a recovery of part of the investment cost. Other net gains and losses are recognized in other comprehensive income and are not reclassified to statement of profit or loss.

Financial Assets - Derecognition
The Company derecognizes a financial asset when the contractual rights to cash flows from the financial asset expire or the rights to receive contractual cash flows are transferred in a transaction in which all the risks and rewards of ownership of a financial asset are transferred or in which the Company does not transfer or retain all the risks and benefits of the asset and does not retain control on the financial asset.

Expected credit losses
Expected credit losses are a weighted estimate of credit losses. Accounts receivable and due from related parties' balances are shown net of expected credit losses. The Company applies the simplified version of Egyptian Accounting Standard No. 47 "Financial Instruments" to measure expected credit losses, which uses the expected loss allowance in relation to customer balances. To measure expected credit losses, customer/related party receivable balances are grouped based on common credit risk characteristics and the periods in which those balances are due. Historical loss rates are adjusted to reflect current and future information on the factors of macroeconomic activity that affect the ability of customers to settle those receivable balances. Expected in these factors with considering the cost and undue effort.
Credit losses are re-estimated at each financial position date and expected credit losses are recognized or derecognized according to the re-evaluation results.

Financial Liabilities-Recognition and Measurement
Financial liabilities are subsequently measured at amortized cost using the effective interest rate. The liability is classified as a current liability when:
- It is expected to be settled within the normal operating cycle, Keeping it for the main purpose of trading.

- It must be settled within twelve months after the date of preparing the financial reports, The absence of an unconditional right to postpone the payment of the obligation for a period of at least twelve months from the end of the financial period.
All other liabilities are classified as non-current.

Financial Liabilities- Derecognition.
The Company derecognizes financial liabilities when those contractual obligations are paid, or their term expires. When the financial liabilities are derecognized, the difference between the amortized carrying amortized and the consideration paid (including any transferred non-monetary assets or assumed liabilities) is recognized in the statement of profit or loss.

H. Cash and cash equivalents
Cash and banks comprise of cash on hand and cash at banks.

I. Treasury Bills
Treasury bills are considered as financial instruments that are issued by the Ministry of Finance and due within a period not exceeding one year which may be interrelated periods in the company's financial statements.

They are initially recognized at fair value at acquisition date, and subsequently measured at amortized cost (which represents the value whereby the financial asset is measured at the initial recognition less the instalments of the original asset amount, plus accumulated amortization for any differences between the original value and the value at due date, and the impairment in the asset's value or to meet the probability of the item to be uncollectible) by using effective interest rate, which is represented in the method of calculating the amortized cost of the financial asset and the distribution of the interest revenue over the useful life of this financial asset.

As the maturity dates cannot exceed one year and their carrying values do not significantly differ from their fair values as of the financial statements date, the treasury bills were reported at original value (acquisition cost) in addition to accrued interest until the financial statements date by using the straight-line method over the year, and the same value at the maturity date excluding the unearned interest.

J. Paid up capital
Quotas are classified as equity.

K. 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, it 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.

L. Current and Deferred income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is accounted for using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

M. Revenue recognition and measurement

Revenue is measured in accordance with the new Egyptian Standard No. (48) "Revenue from Contracts with Customers" on the basis of the consideration specified in the contract with the customer. The Company recognizes revenue from contracts with customers when control of the goods or services is transferred to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognizes revenue from contracts with customers based on a five-step model as defined below:

Step 1: Define the contract(s) with a customer: A contract is an agreement made between two or more parties that establishes rights and obligations and sets standards that must be met for each contract.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or provide services to a customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration that the Company expects to receive in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Company recognizes revenue on time once transfers the ownership of goods or services to the customer.

Step 4: Allocate the transaction price to the performance obligations in the contract: In a contract that contains more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that specifies the amount of consideration that the Company expects to be entitled to in exchange for the satisfaction of each performance obligation.
Step 5: Recognize revenue when (or when) the entity satisfies a performance obligation. The Company satisfies the performance obligation and recognizes revenue over time, if one of the following criteria is demonstrated:

1. At the same time, the customer obtains the benefits resulting from the performance of the group and the consumption of those benefits.

2. The performance of the Company leads to the creation or improvement of assets under the control of the customer at the time of creation or improvement of the asset.

3. The Company's performance of the obligation is not an asset with alternative uses for the Company, and the
The company has the right to collect the amount for the performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the time the performance obligation is satisfied.

An entity shall consider the terms of the contract, as well as any laws applicable to the contract, when assessing
whether it has an enforceable right to payment for performance completed to date.

It is not required that the right to be paid for the completed performance be a fixed amount.

During the term of the contract, the facility shall have the right to an amount that compensates it at least for the consideration for the performance completed to date if the contract is terminated by the customer or another party for reasons other than the non-performance of the facility in accordance with its obligations.

Assessing the existence and necessity of implementing the right to collection and whether the facility's right to collection will entitle it to be paid for the performance completed to date.

Performance obligations that are satisfied at a point of time if performance obligations are not satisfied over time, the entity will fulfill the performance obligation at a point in time. To determine that point in time at which a customer obtains control of a pledged asset and the entity satisfies the performance obligations at that point, the entity must consider indicators of the transfer of control that include, but are not limited to, the following:

a- If the facility has a current right to collect the consideration for the asset.
b- If the customer has the legal right of ownership of the asset.

c- If the facility transfers the physical possession of the asset.
d- If the customer has significant risks and benefits related to the ownership of the asset.
e- Acceptance of the original by the customer.

N. Dividend distributions

Dividend distributions are recorded in the Company's financial statements as an appropriation from retained earnings in the period in which they are approved by the Company's general assembly of partners.

O. Legal reserve

According to Company's Law No. 159 of 1981 and the Company's articles of association, 5% of the net profit for the year is set aside to form a legal reserve. The transfer to such a reserve may be stopped once its balance has reached 50% of the Company's issued capital. Forming this reserve can be used to cover losses or to increase the Company's capital. The deduction is resumed whenever the reserve decreases. The reserve is not distributable to the shareholders.

P. Related party transactions

Related parties represent parent company, associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by management.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies (as described in Note No.2), management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Those estimates and associated assumptions are based on management's historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates, therefore those estimates, and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The principal accounting policies used in preparing the financial statements are set out below:

a) Significant estimates used when applying accounting policies

The following are the significant estimates used by the management in applying the Company's accounting policies, which have a significant impact on the carrying amounts of assets and liabilities recognized in the financial statements.

Revenue recognition

When using judgment, management takes into consideration the principles stated in the standard of revenue recognition related to selling goods and rendering services, and especially if the risks and rewards related to the ownership of the goods were transferred to the buyer.

Management also ascertains that the provision of costs related to sales was recognized simultaneously with the transfer of ownership, risk and rewards to the buyer.

b) Key sources of estimation uncertainty

Useful life of tangible assets

The net book value of tangible assets amounted to EGP 5,012,084 as of March 31, 2024 (Note No.4), Management assigns useful lives based on the intended use of the assets, prospective utilization of the assets and the technological advances according to management's experience in the industry. Changes in the expected useful life of assets may result in a change in the future depreciation expense recorded in the statement of profit or loss.

Expected credit losses and impairment losses

An estimates and accounting provisions related to the value of financial assets and non-financial assets are vital accounting estimate as the basic assumptions used can change from one period to another and may significantly affect the Company's results when assessing assets value, the management estimate is required, especially in the expectation of information and future economic scenarios, with including the state of economic and financial uncertainty, as developments and changes can occur in expected cash flows more quickly and a lower possibility to predict. The total impairment losses on other debit balances as of March 31, 2024, amounted to EGP 34 423 536 (March 31, 2023: EGP 25 685 644).

Inventories write down

The inventories are written down to the net realizable value if the net realizable value is less than the cost, the net realizable value (NRV) is determined based on the management estimates of the movements of the slow-moving items. Inventories write-down amounted to EGP 1 861 952 as of March 31, 2024 (EGP 14 485 323 as of March 31, 2023) (Note No.7).

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.

Provisions

Provisions amounted to EGP 738 198 as of March 31, 2024 (Note No.14). Provisions are related to pending litigation or other outstanding claims from companies and authorities in connection with the Company's operations. As the value of the outcome to settle such claims could not be precisely determined, the amount of liability may be changed in the future.

Deferred income tax

The valuation of deferred tax assets and liabilities is based on management's judgment. Deferred tax assets are only recognized if it is probable that they can be used. Whether or not they can be used depends on whether the tax loss carry-forwards can be offset against future taxable profits. In order to assess the probability of their future use, estimates must be made of various factors such as future operating results. If the actual values differ from the estimates, this can lead to a change in the assessment of recoverability of the deferred tax assets. During the current reporting year, deferred tax Liabilities amounted to EGP 215 136 as of March 31, 2024.

Customer incentive

The Company accrues for rebates for its customers based on contracted percentages on the total sales made during the year and based on fulfilment of the related obligations, which require management to ascertain whether these obligations have been met by its customers during the period of agreement. This requires management knowledge of all customers for whom these connected commitments are in place in order to ensure that the accrual is complete.

Leases contracts- Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Impairment of non- financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is higher of any asset's fair value less cost to sell and value in use.

(4) Property, plant and equipment (Net)

	Furniture and Fixture	Computers	Equipments	Total
	EGP	EGP	EGP	EGP
Cost at 1 April 2022	1 373 675	430 274	1 475 911	3 279 860
Additions during the year	3 499 585	416 364	557 647	4 473 596
Disposals during the year	(122 849)	(83 613)	(341 191)	(547 653)
Cost at 31 March 2023	4 750 411	763 025	1 692 367	7 205 803
Additions during the year	-	27 101	491 007	518 109
Adjustments	-	(41 228)	35	(41 192)
Disposals during the year	-	(15 778)	-	(15 778)
Cost at 31 March 2024	4 750 411	733 120	2 183 410	7 666 941
Accumulated depreciation at 1 April 2022	165 617	149 272	276 697	591 586
Depreciation during the year	279 798	165 595	343 864	789 257
Disposals during the year	(83 092)	(39 776)	(213 657)	(336 525)
Accumulated depreciation at 31 March 2023	362 323	275 091	406 904	1 044 318
Depreciation during the year	952 479	242 809	467 044	1 662 332
Adjustments	-	(41 217)	24	(41 193)
Disposals during the year	-	(10 600)	-	(10 600)
Accumulated depreciation at 31 March 2024	1 314 802	466 083	873 972	2 654 857
Net book Value at 31 March 2024	3 435 609	267 038	1 309 438	5 012 084
Net book Value at 31 March 2023	4 388 088	487 934	1 285 463	6 161 485

(5) Leases (the company as Lessee)

(5.1) Right of use assets

	31 March 2024	31 March 2023
	EGP	EGP
At 1 April	10 006 822	9 899 827
Additions during the year	-	2 994 312
Amortization during the year	(3 194 928)	(2 986 252)
Disposal during the year	(380 179)	98 935
At 31 March	**6 431 715**	**10 006 822**

(5.2) Lease liabilities

Movement in lease liabilities is as follows:

	31 March 2024	31 March 2023
	EGP	EGP
At 1 April	10 825 079	10 207 093
Additions during the year	-	2 994 312
Interest expense during the year	674 741	1 352 181
Repayment of lease liabilities during the year	(4 222 909)	(3 728 507)
Disposal during the year	218 456	-
At 31 March	**7 495 367**	**10 825 079**

Lease liabilities recognized and maturity analysis:

	31 March 2024	31 March 2023
	EGP	EGP
Amount due for settlement within 12 months	2 531 583	4 330 032
Amount due for settlement after 12 months	4 963 785	6 495 047
	7 495 368	**10 825 079**

(6) Investment in gold

	31 March 2024	31 March 2023
	EGP	EGP
Investment in gold (Note 6.1)	-	12 479 895
	-	**12 479 895**

6.1 Movement in Investment in gold

	31 March 2024	31 March 2023
	EGP	EGP
Balance at the beginning of the year	12 479 895	-
Purchase value	-	10 779 895
Change in the fair value	-	1 700 000
Reverse change in the fair value	(1 700 000)	
Net Profit from GOLD Investment sold	6 725 145	-
Proceeds from sale investment in gold	(17 505 040)	-
	-	**12 479 895**

(7) Inventories

		31 March 2024	31 March 2023
		EGP	EGP
Goods held for sale		102 020 419	123 392 715
Goods in transit		98 582	8 197 366
Less		**102 119 000**	**131 590 081**
Allowance for slow moving & obsolete inventories	Note no.(7.1)	(1 861 952)	(14 485 323)
The balance at end of the year		**100 257 048**	**117 104 758**

7.1 Movement in allowance for slow moving & obsolete inventories

	31 March 2024	31 March 2023
	EGP	EGP
Balance at the beginning of the year	14 485 323	3 296 638
Formed allowance during the year	-	11 437 710
Reversed allowance during the year	(12 623 371)	(249 025)
	1 861 952	**14 485 323**

Redington Distribution Company

"Limited Liability Company"

Notes To The Financial Statements For The Year Ended 31 March 2024

(8) Due from / to related parties

The compant enters into transactions with the parent company , companies and entities that fall within the defination of a related party as cintained in EAS 15 "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.

a) At the end of the reporting period, amounts due from related parties were as follows:

	31 March 2024	31 March 2023
	EGP	EGP
ENSURE GULF FZE	60 697 009	31 304 647
Redington Egypt	3 574 351	-
	64 271 360	31 304 647

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 cosider that no related party balances are impaired.

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 centralised treasury process.

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

	31 March 2024	31 March 2023
	EGP	EGP
Redington Gulf (UAE)	381 217 348	1 232 986 238
Redington Egypt	-	3 299 842
Redington Middle East	2 985 559	1 251 619
Ensure Middle East Technology Solutions LLC	2 136 970	-
CADENSWORTH FZE	2 672 210	438 453
	389 012 087	1 237 976 152

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

C) Significant transactions during the year

	2024	Significant transactions during the year
Redington Gulf (UAE)	(381 217 348)	Purchases amount EGP 530,756,256 Backend-Rebates amount EGP 211,643,147
Redington Egypt	3 574 351	Training invoices amount EGP 4,200,000

	2023	Significant transactions during the year
Redington Gulf (UAE)	(1 232 986 238)	Purchases amount EGP 1,128,450,465 Backend-Rebates amount EGP 241,165,780
Redington Egypt	(3 299 842)	Training invoices amount EGP 4,200,000
ENSURE GULF FZE	31 304 647	Freight charge invoices amount EGP 351,358

d) Rebates

Rebates relate to the backend income allocated by the parent Company.

Backend income is centralised at the Parent Company as it receives directly the backend income from the third-party suppliers.

Hence, backend income is transferred by the parent company directly to the company rather than routing it through the related parties from whom the company makes its sales and purchases.

e) Compansation 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) Trade & other receivables

	31 March 2024	31 March 2023
	EGP	EGP
Trade receivables	113 200 109	384 953 961
(Less) Expexted Credit Loss	(34 423 536)	(25 685 644)
	78 776 573	**359 268 317**
Prepaid expenses	987 524	5 098 252
Security deposits to others	1 001 653	1 050 486
Other receivables	345 211	320 697
Withholding tax	4 439 309	28 619 708
Advance payment of withholding tax	8 044 155	4 890 873
Advance to supplier	182 854 500	140 971 968
	276 448 925	**540 220 303**

Movement of expected credit losses:

	31 March 2024	31 March 2023
	EGP	EGP
Balance at the beginning of the year	25 685 644	64 772
Impairment formed during the year	11 803 099	25 620 872
Used during the year	(3 065 207)	-
	34 423 536	**25 685 644**

(10) Cash and Cash equivalent

	31 March 2024	31 March 2023
	EGP	EGP
Cash on hand	40 209	5 098 252
Bank balances - Current accounts	277 443 667	1 050 486
Deposits	7 362 021	320 697
Checks under collections	-	28 619 708
Treasury bills (note 10.1)	-	118 613 608
	284 845 897	**153 702 751**

10.1 Movement in Treasury bills

	31 March 2024	31 March 2023
	EGP	EGP
Balance at the beginning of the year	118 613 608	-
Purchase value	-	118 613 608
Disposal during the year	(118 613 608)	-
	-	**118 613 608**

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of respective countries. Accordingly, 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 balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

(11) Paid capital

The total number of quotas is 2,000 quotas the value of each is EGP 1000. All quotas are fully paid.
A summary of the share capital as at March 31,2024 is as follows:

Owner	Nationality	Number of quotas	Value in EGP	Percentage of participation
• Redington Egypt "L.L.C"	Egyptian	198 000	1 980 000	99%
• Amira Mohamed Asem Mostafa	Egyptian	2 000	20 000	1%
		20 000	**2 000 000**	**100%**

(12) Trade and other payables

	31 March 2024	31 March 2023
	EGP	EGP
Trade payables		
Accrued expenses	37 595 307	36 772 505
Social insurance	34 160 653	13 200 975
Withholding tax credit	65 589	132 705
Value add tax	5 777 476	123 456
Takaful Tax	2 630 866	25 699 815
Trade receivables - in advance	3 022 255	4 228 634
Accrued interest - Lease	156 846 246	-
	-	168 153
	240 098 392	**80 326 242**

(13) Income Tax payable (corporate tax)

	31 March 2024	31 March 2023
	EGP	EGP
Balance at beginning of the year		
Deducted:	**56 994 523**	**13 406 926**
Paid income tax		
From withholding receivables	(56 896 562)	-
Income tax expense	-	(13 406 926)
Balance at 31 March	-	56 994 523
	97 961	**56 994 523**

(14) Provisions

	Balance at 1 April 2023	Formed	Used	Balance at 31 March 2024
Provision of leaves	693 140	537 039	(491 979)	738 200
Provision for claims	5 000 000	-	(5 000 000)	-
	5 693 140	**537 039**	**(5 491 979)**	**738 200**

	Balance at 1 April 2022	Formed	Used	Balance at 31 March 2023
Provision of leaves	480 979	361 733	(149 572)	693 140
Provision for claims	-	5 000 000	-	5 000 000
	480 979	**5 361 733**	**(149 572)**	**5 693 140**

(15) Sales Revenue

	31 March 2024	31 March 2023
	EGP	EGP
Trade sales	1 050 833 574	1 555 425 869
Services revenue	11 654 378	11 287 408
Cloud service revenue	76 320 681	82 280 700
	1 138 808 632	**1 648 993 977**
(Less) Trade discount	(2 292 598)	-
Price rebates	(9 467 635)	(36 687 455)
	1 127 048 399	**1 612 306 522**

(16) Cost of Sales

	31 March 2024	31 March 2023
	EGP	EGP
Purchases	690 620 463	1 072 900 075
Freight-in expense	1 649 716	25 213 650
	692 270 179	**1 098 113 725**
Changes in inventory	21 372 296	21 780 277
Cost of goods sold	**713 642 476**	**1 119 894 002**
Cost of cloud services rendered	74 277 285	82 982 141
Cost of maintenance services rendered	19 733 232	5 329 817
	807 652 993	**1 208 205 960**

(17) Other income

	31 March 2024	31 March 2023
	EGP	EGP
Interest income	21 644 118	22 778 151
Treasury bills interest income	9 017 692	12 477 250
Gain or Loss on Leases	153 964	-
Others	7 842 396	-
	38 658 170	**35 255 401**

(18) Financial instruments and risk management

Categories of financial instruments

	31 March 2024	31 March 2023
	EGP	EGP
Financial Assets		
Cash and Cash equivalent	284 845 897	648 143 618
Due from related parties	64 271 360	31 304 647
Trade & other receivables	276 448 925	540 220 303
Financial Liabilities		
Lease Liabilities	7 495 368	10 825 079
Due to related parties	389 012 087	1 237 976 152
Trade and other payables	240 098 392	80 326 242

Fair value of financial instruments

The management determine 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 or 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 move interest bearing financial instruments

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in finacial loss to the company. Credit risk arises from credit exposure to outstanding trade receivables. The management of the company has implemented centralised 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.

The Company's exposure to credit risk is closely monitored and the aggregate value of transactions concluded is spread amongst counter-parties. Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regulary. 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 10 to the financial statements.

The credit risk on liquid funds is limited because the counterparies 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 except for lease liabilities as disclosed in Note 19 to the financial statements.

(19) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2021.

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.

(20) Tax position

Corporate tax

The Company has submitted the annual representation for income tax and paid the tax due for the period of incorporation to 31/03/2023 in accordance with law no.91 of 2005 and its executive regulations regarding income tax and the Unified Tax Procedures Law No. 206 of 2020.

No tax assessments required yet.

There are no existing tax disputes at any stage of the dispute until March 31, 2024.

Salary Tax

The Company deducts the tax on the salaries of the employees and pay the due tax to the tax authority on a legal dates. No tax assessments required yet.

There are no existing tax disputes at any stage of the dispute until March 31, 2024.

Withholding tax

The Company deducts the tax and pay it to the tax authority on a legal date. No tax assessments required yet.

There are no existing tax disputes at any stage of the dispute until March 31, 2024.

Value added tax (VAT)

The Company is subject to the provisions of value added tax law issued by law No.67 of 2016 and the company is committed to submit the tax returns on the legal dates.

The VAT tax inspection was done until 2020, and all tax difference was paid.

There are no existing tax disputes at any stage of the dispute until March 31, 2024.

Stamp Tax

The Company is subjected to stamp tax Law no.111 of 1980 and its executive regulations.

The stamp tax inspection was done until 2020, and the letter of tax inspection no.19 was received with tax 78,910 EGP

It was appealed within the legal deadlines and is awaiting a session to be scheduled to consider the appeal in the internal committee.

There are no existing tax disputes at any stage of the dispute until March 31, 2024.