

Redington Bahrain W.L.L.

Financial statements for the
year ended 31 March 2026

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Financial statements for the year ended 31 March 2026

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Redington Bahrain W.L.L.
Administration and contact details as at 31 March 2026

Commercial registration no.	147447-01 obtained on 24 August 2021
Shareholders	The First Dubai Corporation, UAE Redington Gulf F.Z.E, UAE
Board of Directors	Thyagarajulu Kadiyala Jeetendra Berry Zubair Alam
Registered office	Flat 45, Building 47 Road 2701, Block 327 Manama/Al Adliyah Kingdom of Bahrain
Banker	Standard Chartered Bank
Auditors	BDO 17 th Floor Diplomat Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain

Redington Bahrain W.L.L.
Management's report for the year ended 31 March 2026

The management has pleasure in submitting the audited financial statements of Redington Bahrain W.L.L. ("the Company") for the year ended 31 March 2026.

Principal activities and review of business developments

The principal activities of the Company are sale of other machinery and equipment and parts, and sale of information and communication equipment and related software.

The statement of financial position and the results for the year are set out on the pages 7 and 8 of the financial statements.

Dividend

The management do not propose to pay any dividend to the shareholders for the year ended 31 March 2026 (2025: BDNil).

Representation and audit

The Company's activities for the year ended 31 March 2026 have been conducted in accordance with the Bahrain Commercial Companies Law, and other relevant statutes of the Kingdom of Bahrain.

The Company has maintained proper and complete accounting records and these, together with all other information and explanations, have been made freely available to the auditors.

The management propose to re-appoint BDO as external auditors of the Company for the next financial year, who have expressed their willingness to continue in office.

Signed on behalf of the management:



Thyagarajulu Kadiyala
Director



Jeetendra Berry
Director

Independent auditor's report to the shareholders of Redington Bahrain W.L.L.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Redington Bahrain W.L.L. ("the Company"), which comprise the statement of financial position as at 31 March 2026, the statement of profit or loss and other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2026, and its financial performance and its cash flows for the year ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information

Management is responsible for the other information. The other information consists of the information included in the Company's annual report, other than the financial statements and our auditor's report thereon. Prior to the date of this auditors' report, we obtained the report of the Board of Directors which form part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management and Those Charged With Governance ("TCWG") for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those Charged With Governance are responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the shareholders of Redington Bahrain W.L.L. (continued)

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Independent auditor's report to the shareholders of Redington Bahrain W.L.L. (continued)

Report on other legal and regulatory requirements

Further, as required by the Bahrain Commercial Companies Law, we report that:

- (1) we have obtained all the information we considered necessary for the purpose of our audit;
- (2) the Company has carried out stock-taking in accordance with recognised procedures, has maintained proper books of account and the financial statements are in agreement therewith; and
- (3) the financial information included in the management's report is consistent with the books of account of the Company.

In addition, we report that, nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law, or of its Deed of Association, which would materially affect its activities, or its financial position as at 31 March 2026.



Manama, Kingdom of Bahrain
23 May 2026



Redington Bahrain W.L.L.
Statement of financial position as at 31 March 2026
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>31 March 2026</u>	<u>31 March 2025</u>
ASSETS			
Non-current assets			
Plant and equipment	5	<u>2,308</u>	<u>3,962</u>
Current assets			
Inventories	7	1,588,366	1,417,288
Trade and other receivables	8	3,216,975	2,986,607
Bank balances	9	<u>948,401</u>	<u>220,067</u>
		<u>5,753,742</u>	<u>4,623,962</u>
Total assets		<u>5,756,050</u>	<u>4,627,924</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	50,000	50,000
Statutory reserve	11(a)	25,000	25,000
Retained earnings	11(b)	841,025	648,007
Other reserves		<u>9,230</u>	<u>3,625</u>
		<u>925,255</u>	<u>726,632</u>
Non-current liabilities			
Employees' terminal benefits	12	<u>28,450</u>	<u>26,917</u>
Current liabilities			
Trade and other payables	13	2,004,186	928,123
Amounts due to related parties	14	2,778,089	2,946,252
Tax payable	20	<u>20,070</u>	<u>-</u>
		<u>4,802,345</u>	<u>3,874,375</u>
Total equity and liabilities		<u>5,756,050</u>	<u>4,627,924</u>

These financial statements were approved and authorised for issued and signed by the Board of Directors on their behalf by:



Thyagarajulu Kadiyala
Director



Jeetendra Berry
Director

Redington Bahrain W.L.L.
Statement of profit or loss and other comprehensive income for the year ended
31 March 2026
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>Year ended 31 March 2026</u>	<u>Year ended 31 March 2025</u>
Revenue	16	18,863,599	15,746,424
Cost of sales		<u>(17,859,122)</u>	<u>(14,846,170)</u>
Gross profit		1,004,477	900,254
Other income	17	<u>17,957</u>	<u>23,091</u>
		<u>1,022,434</u>	<u>923,345</u>
Expenses			
General and administrative expenses	18	(784,479)	(336,901)
Finance costs	19	<u>(14,694)</u>	<u>(17,706)</u>
		<u>(799,173)</u>	<u>(354,607)</u>
Net profit before tax for the year		223,261	568,738
Income tax expenses	20	<u>(30,243)</u>	-
Net profit after tax for the year		<u>193,018</u>	<u>568,738</u>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement gain on defined benefit obligations	12	<u>5,605</u>	<u>2,746</u>
Total comprehensive income during the year		<u>198,623</u>	<u>571,484</u>

These financial statements were approved and authorised for issued and signed by the Board of Directors on their behalf by:



Thyagarajulu Kadiyala
Director



Jeetendra Berry
Director

Redington Bahrain W.L.L.**Statement of changes in shareholder's equity for the year ended 31 March 2026****(Expressed in Bahrain Dinars)**

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Other reserves</u>	<u>Total</u>
At 31 March 2024	50,000	10,427	93,842	879	155,148
Net profit for the year	-	-	568,738	-	568,738
Transferred to statutory reserve (Note 11(a))	-	14,573	(14,573)	-	-
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,746</u>	<u>2,746</u>
At 31 March 2025	50,000	25,000	648,007	3,625	726,632
Net profit for the year	-	-	193,018	-	193,018
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,605</u>	<u>5,605</u>
At 31 March 2026	<u>50,000</u>	<u>25,000</u>	<u>841,025</u>	<u>9,230</u>	<u>925,255</u>

Redington Bahrain W.L.L.
Statement of cash flows for the year ended 31 March 2026
(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>Year ended 31 March 2026</u>	<u>Year ended 31 March 2025</u>
Operating activities			
Net profit for the year		193,018	568,738
Adjustments for:			
Depreciation on plant and equipment	5	2,640	2,270
Reversal of excess allowance for obsolete and slow-moving inventories	7	(3,446)	(17,396)
Allowance for impaired trade receivables	8	-	1,282
Gain on disposal of plant and equipment	17	(325)	-
Gain on write-off of leases		-	(495)
Finance costs	19	14,694	17,706
Changes in operating assets and liabilities:			
Inventories		(167,632)	233,050
Trade and other receivables		(230,368)	(979,492)
Trade and other payables		1,096,133	113,691
Amounts due to related parties		(168,163)	64,026
Employees' terminal benefits, net		<u>7,138</u>	<u>9,011</u>
Net cash provided by operating activities		<u>743,689</u>	<u>12,391</u>
Investing activities			
Purchase of plant and equipment	5	(1,026)	(543)
Proceeds from disposal of plant and equipment		<u>365</u>	<u>-</u>
Net cash used in investing activities		<u>(661)</u>	<u>(543)</u>
Financing activities			
Finance cost paid	18	<u>(14,694)</u>	<u>(17,706)</u>
Net cash used in financing activities		<u>(14,694)</u>	<u>(17,706)</u>
Net increase/(decrease) in cash and cash equivalents		728,334	(5,858)
Cash and cash equivalents, beginning of the year		<u>220,067</u>	<u>225,925</u>
Cash and cash equivalents, end of the year	9	<u>948,401</u>	<u>220,067</u>

1 Organisation and activities

Redington Bahrain W.L.L. ("the Company") is a Limited Liability Company registered in the Kingdom of Bahrain with Ministry of Industry and Commerce under commercial registration number 147447-01 obtained on 24 August 2021.

The principal activities of the Company are sale other machinery and equipment and parts, and sale of information and communication equipment and related software.

99.8% shares of the Company is owned by Redington Gulf F.Z.E and 0.2% shares are owned by The First Dubai Corporation and the ultimate parent is Redington India Limited (the "Ultimate Parent").

The registered office of the Company is in the Kingdom of Bahrain.

These financial statements, set out on pages 7 to 34, were approved and authorised for issue and signed by the Board of Directors on 23 May 2026.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and the requirements of the Bahrain Commercial Companies Law.

Basis of presentation

These financial statements have been prepared using going concern assumption under the historical cost convention, except for remeasurement of employee terminal benefits which are based on actuarial valuation. The financial statements have been presented in Bahrain Dinars which is the functional currency of the Company.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to these financial statements.

Improvements/amendments to IFRS Accounting Standards

Improvements/amendments to IFRS Accounting Standards contained numerous amendments to IFRS Accounting Standards that the IASB considers non-urgent but necessary. 'Improvements to IFRS Accounting Standards' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS Accounting Standards. The amendments are effective for the Company's future accounting year with earlier adoption.

2 Basis of preparation (continued)

Standards, amendments and interpretations issued and effective in 2026 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2026 or subsequent periods, but is not relevant to the Company's operations.

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 7	Statement of Cash Flows	1 January 2026
IFRS 7	Financial Instruments: Disclosures	1 January 2026
IFRS 9	Financial Instruments	1 January 2026
IFRS 10	Consolidated Financial Statements	1 January 2026

Standards, amendments and interpretations issued but not yet effective in 2026

The following new/amended IFRS accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 March 2026. They have not been adopted in preparing these financial statements for the year ended 31 March 2026 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 21	The Effects of Changes in Foreign Exchange Rates	1 January 2027
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

Early adoption of amendments or standards in 2026

The Company did not early-adopt any new or amended standards in 2026. There would have been no change in the operational results of the Company for the period ended 31 March 2026 had the Company early adopted any of the above standards applicable to the Company.

3 Material accounting policy information

A summary of the material accounting policy information adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

Plant and equipment

All plant and equipment are stated at historical cost less accumulated depreciation. Cost includes all costs directly attributable to bringing the plant and equipment to their present location and condition for their intended use.

Depreciation is calculated on the straight-line method to write-off the cost of plant and equipment to their estimated residual values over their expected useful lives as follows:

Computers and equipment	- 3 years
Furniture and fixtures	- 5 years
Office equipment	- 5 years

3 Material accounting policy information (continued)

Plant and equipment (continued)

Gains and losses on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

Repairs and renewals are charged to the statement of profit or loss and other comprehensive income when the expenditure is incurred.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists, and where the carrying value exceed the estimated recoverable amounts, the plant and equipment are written down to their recoverable amounts.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses. Wherever necessary, allowance is made for obsolete, slow-moving and defective inventories.

The allowance for slow and non-moving inventories is calculated and provided as follows:

- 10% allowance for inventories not moved for a period between 90 - 120 days
- 25% allowance for inventories not moved for a period between 121 - 180 days
- 50% allowance for inventories not moved for a period between 181 - 270 days;
- 75% allowance for inventories not moved for a period of more than 271 - 360 days; and
- 100% allowance for inventories not moved for a period for more than 360 days.

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset were acquired. The Company's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less allowance for impairment.

The Company's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments), amounts due from a related party and cash and cash equivalents in the statement of financial position.

3 Material accounting policy information (continued)

Financial assets (continued)

Amortised cost (continued)

Trade and other receivables

Impairment allowances for current and non-current trade receivables, if any, are recognised based on the simplified approach within IFRS 9 using an allowance matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net; such allowance are recorded in a separate allowance account with the loss being recognised within general and administrative expenses in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated allowance.

Impairment allowances for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of profit or loss and comprehensive income (operating profit).

Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents includes current account balance with a bank.

Financial liabilities

The financial liabilities of the Company consist of trade and other payables (excluding employees' benefits). These financial liabilities are initially recognised at fair value and are subsequently remeasured at amortised cost using the effective interest method.

Trade and other payables (excluding employees' benefits)

Trade and other payables (excluding employees' benefits) are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation in future, and the amount of the obligation can be reliably estimated.

3 Material accounting policy information (continued)

Employees' benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

Employee benefits and entitlements to annual leave, holiday, air passage and other short-term benefits are recognised as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain. This is a defined contribution pension plan and the Company's contributions are charged to the statement of profit or loss and other comprehensive income in the year to which they relate. In respect of this plan, the Company has a legal obligation to pay the contributions as they fall due and no obligation exists to pay the future benefits.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law. The Company accrues for its liability in this respect on an annual basis until 29 February 2024, thereafter the Company contributes to the leaving indemnity for expatriate employees administered by the Social Insurance Organisation in the Kingdom of Bahrain.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law. The Company accrues for its liability in this respect on an annual basis, and remeasurement takes place based on actuarial valuation.

The Company operates an unfunded gratuity scheme for employees. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method, with actuarial valuation being carried out at regular interval. Re measurements, comprising actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit or loss on the earlier of the date of the plan amendment or curtailment and the date on which the Company recognises related restructuring costs. Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the changes in the net defined benefit obligation under general and administrative expenses in the statement of profit or loss.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

3 Material accounting policy information (continued)

Revenue recognition

Performance obligations and timing of revenue recognition

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

Determining the transaction price

Most of the Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most of the contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgment involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right-to-use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

3 Material accounting policy information (continued)

Leases (continued)

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount;

3 Material accounting policy information (continued)

Leases (continued)

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Based on the exemptions available in IFRS 16, low value and short-term leases are not capitalised in the statement of financial position. All payments made towards such leases are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses arising from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4 Critical accounting judgment and key source of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Company's management to make 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 revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

- going concern;
- economic useful lives of plant and equipment.
- fair value measurement.
- impairment of assets.
- determination of lease term and borrowing rates;
- economic useful life of right-of-use assets;
- equity-settled employees' benefits reserve;
- income taxes;
- revenue recognition; and
- contingencies.

4 Critical accounting judgment and key source of estimation uncertainty (continued)

Going concern

The management reviews the financial position on a periodical basis and assess the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the management ensures that there is adequate financial support to fund the requirements and to ensure the going concern status of the Company.

Economic useful lives of plant and equipment

The Company's plant and equipment are depreciated on a straight-line basis over their economic useful lives. Economic useful lives of plant and equipment are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

Fair value measurement

The Company determines the fair value of financial instruments that are not quoted, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In this regards, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted);
Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item and transfers of items between levels are recognised in the period they occur.

The financial assets and liabilities of the Company are initially recorded at fair value and subsequently re-measured at amortised cost.

Impairment of assets

Financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its trade receivables and FVTPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further, with respect to amounts due from related parties, the Company applies the full three stage approach taking into consideration whether there has been a significant increase in credit risk. In addition, with respect to its bank balances, the amounts are deposited with reputable banks with low credit risk.

4 Critical accounting judgment and key source of estimation uncertainty (continued)

Impairment of assets (continued)

Financial assets (continued)

During the year ended 31 March 2026, in the opinion of the management, an allowance amount of BD1,282 is required on impaired trade receivables (2025: BD1,282). Bank balances are not impaired as at 31 March 2026 (2025: BDNil).

Inventories

The Company also creates allowance for obsolete and slow-moving inventories. At 31 March 2026, in the opinion of the Company's management, an allowance of BD60,685 is required for obsolete and slow-moving items (2025: BD60,685). Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the statement of financial position date to the extent that such events confirm conditions existing at the end of the reporting period.

Other non-financial assets

Other non-financial assets (excluding inventories) are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs").

Impairment changes are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

The Company exercises judgment in determining whether a revenue transaction is recognised at a point in time or over time taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Determination of lease term and the borrowing rates for leases

In case where the Company is a lessee, the Company's management exercises judgment in determining if it is reasonably certain to exercise the lease options to extend or terminate the lease at the commencement as well as during the lease term. The carrying value of lease liabilities are revised based on certain variable elements of the future lease payments like rates or index. Determination of incremental borrowing rates used to determine the carrying value of lease liabilities and the discount rates used to determine the carrying value of right-of-use of lease rights involve, to certain extent, management estimates. Any changes to management estimate may have an impact on the term as well as the carrying values of the lease assets and liabilities.

Economic useful life of right-of-use assets

Right-of-use assets are amortised over their economic useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of profit or loss in specific periods.

4 Critical accounting judgment and key source of estimation uncertainty (continued)

Economic useful life of right-of-use assets (continued)

The Company's right-of-use assets are amortised on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Economic useful lives of right-of-use assets are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

Equity-settled employees' benefits reserve

In determining the fair value of share-based payments and the related charges to the profit or loss, certain assumptions have to be made about future events and market conditions. In particular, judgments were made about the likely number of options that will vest, and the fair value of each option granted. The fair value was determined using a valuation model which is dependent on further estimates, including the Redington India Limited future dividend policy, risk-free interest rate and the timing with which options will be exercised and the future validity in the price of the options.

Income taxes

The Company is subject to income tax and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Revenue recognition

The Company exercises judgment in determining whether a revenue transaction is recognised at a point in time or over time taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

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5 Plant and equipment

	<u>Furniture and fixtures</u>	<u>Office equipment</u>	<u>Computers and equipment</u>	<u>Total</u>
Cost				
At 31 March 2024	3,584	1,260	3,859	8,703
Additions during the year	<u>-</u>	<u>543</u>	<u>-</u>	<u>543</u>
At 31 March 2025	3,584	1,803	3,859	9,246
Additions during the year	-	-	1,026	1,026
Disposals during the year	<u>-</u>	<u>-</u>	<u>(395)</u>	<u>(395)</u>
At 31 March 2026	<u>3,584</u>	<u>1,803</u>	<u>4,490</u>	<u>9,877</u>
Accumulated depreciation				
At 31 March 2024	1,226	483	1,305	3,014
Charge for the year (Note 18)	<u>717</u>	<u>301</u>	<u>1,252</u>	<u>2,270</u>
At 31 March 2025	1,943	784	2,557	5,284
Charge for the year (Note 18)	717	329	1,594	2,640
On disposals	<u>-</u>	<u>-</u>	<u>(355)</u>	<u>(355)</u>
At 31 March 2026	<u>2,660</u>	<u>1,113</u>	<u>3,796</u>	<u>7,569</u>
Net book amount				
At 31 March 2026	<u>924</u>	<u>690</u>	<u>694</u>	<u>2,308</u>
At 31 March 2025	<u>1,641</u>	<u>1,019</u>	<u>1,302</u>	<u>3,962</u>

The Company operates from premises leased at an annual rent of BD3,840 (2025: BD3,840 per annum).

6 Right-of-use of assets

	<u>31 March 2026</u>	<u>31 March 2025</u>
Cost		
Opening balance	-	12,547
Written-off during the year	<u>-</u>	<u>(12,547)</u>
Closing balance	<u>-</u>	<u>-</u>
Accumulated amortisation		
Opening balance	-	10,041
Written-off during the year	<u>-</u>	<u>(10,041)</u>
Closing balance	<u>-</u>	<u>-</u>
Carrying value		
Closing balance	<u>-</u>	<u>-</u>

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6 Right-of-use of assets (continued)

Right-of-use assets represents office premises, taken on lease obtained by the Company at Manama, Kingdom of Bahrain.

7 Inventories

	31 March 2026	31 March 2025
Inventories	1,620,114	1,477,973
Allowance for slow-moving and obsolete inventories	<u>(57,239)</u>	<u>(60,685)</u>
	1,562,875	1,417,288
Goods-in-transit	<u>25,491</u>	<u>-</u>
	<u>1,588,366</u>	<u>1,417,288</u>

Movement in allowance for slow moving and obsolete inventories is as follows:

	31 March 2026	31 March 2025
Opening balance	60,685	78,081
Reversal of excess allowance for slow-moving and obsolete inventories (Note 17)	<u>(3,446)</u>	<u>(17,396)</u>
Closing balance	<u>57,239</u>	<u>60,685</u>

8 Trade and other receivables

	31 March 2026	31 March 2025
Trade receivables	3,008,392	2,910,087
Allowance for impaired trade receivables	<u>(1,282)</u>	<u>(1,282)</u>
	3,007,110	2,908,805
VAT receivables, net	6,819	-
Amounts due from a related party (Note 14)	-	690
Receivable from suppliers	162,790	46,990
Prepayments and other receivables	<u>40,256</u>	<u>30,122</u>
	<u>3,216,975</u>	<u>2,986,607</u>

Trade receivables are generally on 30 to 60 days credit terms and are mainly denominated in Bahrain Dinars.

In the opinion of the Company's management, the fair values of the trade and other receivables are not expected to be significantly different from their carrying values classified at amortised cost.

Amounts due from related parties are unsecured, bear no interest and are authorised by the management.

8 Trade and other receivables (continued)

The Company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected credit loss allowances for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Company's historical credit losses experienced over a number of years prior to the year end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product (GDP) and inflation rate as the key macroeconomic factors in the countries where the Company operates.

The movement in allowance for impaired trade receivables is as follows:

	Year ended 31 March 2026	Year ended 31 March 2025
Opening balance	1,282	-
Allowance during the year (Note 18)	-	1,282
Closing balance	1,282	1,282

At 31 March 2026 and 2025, the lifetime expected loss allowance for trade receivables is as follows:

	0-30 days overdue	31-60 days overdue	61-90 days overdue	91-180 days overdue	181-360 days overdue	361+ days overdue	Total
31 March 2026							
Expected loss rate	0%	0%	0%	0%	0%	100%	
Gross trade receivables	2,656,710	271,198	33,887	15,944	29,371	1,282	3,008,392
Loss allowance	-	-	-	-	-	1,282	1,282
31 March 2025							
Expected loss rate	0%	0%	0%	0%	0%	100%	
Gross trade receivables	2,588,964	51,602	260,327	7,567	345	1,282	2,910,087
Loss allowance	-	-	-	-	-	1,282	1,282

9 Bank balance

	31 March 2026	31 March 2025
Current account balance with a bank	948,401	220,067

The current account balance with a bank are non-interest bearing.

10 Share capital

In accordance with the Company's Deed of Association, the authorised, issued and fully paid-up share capital of the Company is BD50,000, comprising of 500 shares of BD100 each (2025: 500 shares of BD100 each).

The shareholding pattern of the Company as at 31 March 2025 was as follows:

	<u>Number of shares</u>	<u>Percentage of ownership interest</u>	<u>Amount</u>
Middle East Holding Company Limited	255	51%	25,500
Redington Gulf F.Z.E.	<u>245</u>	<u>49%</u>	<u>24,500</u>
	<u>500</u>	<u>100%</u>	<u>50,000</u>

Based on shareholders resolution dated 20 March 2025, the revised shareholding structure as at 31 March 2026 is as follows:

	<u>Number of shares</u>	<u>Percentage of ownership interest</u>	<u>Amount</u>
Redington Gulf F.Z.E.	499	99.80%	49,900
The First Dubai Corporation	<u>1</u>	<u>0.20%</u>	<u>100</u>
	<u>500</u>	<u>100%</u>	<u>50,000</u>

Necessary legal formalities to amend the Deed of Association with the relevant Ministries in the Kingdom of Bahrain have been completed on 5 October 2025.

11 Reserves

(a) Statutory reserve

In accordance with the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve account until such time as a minimum of 50% of the share capital is set aside. As this requirement has already been met, no transfer has been made to statutory reserve during the year ended 31 March 2026 (2025: BD14,573). The reserve is not available for distribution except for dividend payment as permitted by Bahrain Commercial Companies Law.

(b) Retained earnings

Retained earnings represents the income earned during the year and prior periods after transferring to all the reserve. The retained earnings are available for distribution as decided by the Company's shareholders.

12 Employees' terminal benefits

Local employees

The Company did not employ any Bahraini nationals during the year ended 31 March 2026. Accordingly, no contribution has been made towards the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 March 2026.

Expatriate employees

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	31 March 2026	31 March 2025
Opening balance	26,917	20,652
Accruals for the year	6,531	6,534
Payments during the year	(2,295)	-
Net interest cost (Note 19)	2,902	2,477
Actuarial gains on obligation	(5,605)	(2,746)
Closing balance	<u>28,450</u>	<u>26,917</u>
The number of staff employed by the Company	<u>9</u>	<u>7</u>

Principal assumptions used for purposes of the actuarial valuation:

	31 March 2026	31 March 2025
Discount rate	10.65%	11.15%
Salary escalation rate	10.65%	11.15%
	Per AM (80) table	Per AM (80) table
Mortality rate	6.20%	6%
Withdrawal rate	<u>6.20%</u>	<u>6%</u>

The sensitivity analysis has been determined based on the exposure to discount rates, salary escalation rate, mortality rate and withdrawal rate. The sensitivity rate applied by the Company to ascertain the impact in one of the actuarial assumptions, keeping other assumptions constant, on the defined benefit obligation is as follows:

	Increase/ (decrease) 31 March 2026	Increase/ (decrease) 31 March 2025
Increase of 1% in assumptions		
Discount rate	32,389	24,918
Salary escalation rate	38,027	29,317
Decrease of 1% in assumptions		
Discount rate	(37,838)	(29,164)
Salary escalation rate	(32,181)	(24,752)

12 Employees' terminal benefits (continued)

During the year ended 31 March 2025, in accordance with the change in the Social Insurance Organisation ("SIO") regulations made through resolution no. 109 of 2023, effective from 1 March 2024, the employer needs to pay the end-of-service contribution in respect of the expatriate employees registered with SIO and SIO shall disburse the contributed amount to employees on completion of the employment term. The amount accrued by the Company until 29 February 2024, shall be maintained and settled by the Company with the respective employee amounting to BD19,973 (2025: BD19,846).

13 Trade and other payables

	31 March 2026	31 March 2025
Trade payables	1,895,384	809,979
Advance received from customers	3,965	2,059
Provision for leave salary and air passage	10,322	9,574
VAT payables	-	48,606
Accruals and other payables	94,515	57,905
	<u>2,004,186</u>	<u>928,123</u>

Trade payables are normally settled within 30 to 90 days from the supplier's invoice date.

In the opinion of the Company's management, the fair value of the trade and other payables are not significantly different from their carrying values as financial liabilities measured at amortised cost.

14 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the shareholders, Directors, key management personnel and their close family members and such other companies over which the Company or its shareholders, Directors, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management and are at arm's length basis.

A summary of the related party transactions during the year are as follows:

Name of related party	Nature of transaction	Year ended 31 March 2026	Year ended 31 March 2025
Redington Gulf F.Z.E. (U.A.E.)	Revenue (Note 16)	118,868	8,342,226
Redington Saudi Arabia	Revenue (Note 16)	<u>7,390</u>	<u>25,077</u>
		<u>126,258</u>	<u>8,367,303</u>
Redington Gulf F.Z.E. (U.A.E.)	Purchases	8,428,414	8,341,509
Redington Gulf & Co, Oman	Purchases	5,350	-
Ensure Middle East Technology Solutions L.L.C. (U.A.E.)	Purchases	2,076	-
Redington Gulf F.Z.E (U.A.E.)	Interest (Note 19)	11,792	15,229
Redington Gulf F.Z.E (U.A.E.)	Backend support	1,034,328	1,196,140
Redington Gulf F.Z.E (U.A.E.)	Expenses, net	305,252	(42,127)
Redington Gulf F.Z.E (U.A.E.)	Marketing support	5,933	-

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14 Related party transactions and balances (continued)

	31 March 2026	31 March 2025
<u>Amounts due from a related party (Note 8)</u>		
<i>Entities under common control</i>		
Ensure Gulf F.Z.E., United Arab Emirates	-	690
<u>Amounts due to related parties</u>	31 March 2026	31 March 2025
<i>Entity under common control</i>		
Redington Gulf F.Z.E. (U.A.E.)	2,775,989	2,946,252
Ensure Middle East Technology Solutions L.L.C. (U.A.E.)	2,100	-
	<u>2,778,089</u>	<u>2,946,252</u>

Amounts due to related parties are unsecured, have no fixed repayment terms and are authorised by the Company's management.

The Company has not considered credit losses arising from the Parent Company as the Company's exposure is guaranteed by the shareholders of the Company. Accordingly, no impairment allowance has been created on the carrying value of related party receivables as at 31 March 2026 (2025: BDNil).

15 Lease liabilities

	31 March 2026	31 March 2025
Opening balance	-	3,001
Written-off during the year	-	(3,001)
Closing balance	-	-
Less: current portion of lease liabilities	-	-
Non-current portion of lease liabilities	-	-
Maturity analysis - contractual undiscounted cash flows:		
	31 March 2026	31 March 2025
Less than one year	-	-
More than one year and less than five years	-	-
Total undiscounted lease	-	-

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16 Revenue

	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from sale of computer equipment	15,071,881	12,988,184
Revenue from cloud services	<u>3,791,718</u>	<u>2,758,240</u>
	<u>18,863,599</u>	<u>15,746,424</u>
	Year ended 31 March 2026	Year ended 31 March 2025
<i>Product/service type</i>		
Sale of computer equipment	15,071,881	12,988,184
Cloud services	<u>3,791,718</u>	<u>2,758,240</u>
	<u>18,863,599</u>	<u>15,746,424</u>
<i>Primary geographical market</i>		
Kingdom of Bahrain	<u>18,863,599</u>	<u>15,746,424</u>
<i>Contract counterparties</i>		
Direct to customers	18,737,341	7,379,121
To related parties (Note 14)	<u>126,258</u>	<u>8,367,303</u>
	<u>18,863,599</u>	<u>15,746,424</u>
<i>Timing of revenue recognition</i>		
At a point in time	15,071,881	12,988,184
Over a period of time	<u>3,791,718</u>	<u>2,758,240</u>
	<u>18,863,599</u>	<u>15,746,424</u>

17 Other income

	Year ended 31 March 2026	Year ended 31 March 2025
Reversal of excess allowances for slow moving and obsolete inventories (Note 7)	3,446	17,396
Gain on disposal of plant and equipment	325	-
Gain on write-off of leases	-	495
Other administrative expenses	<u>14,186</u>	<u>5,200</u>
	<u>17,957</u>	<u>23,091</u>

18 General and administrative expenses

	Year ended 31 March 2026	Year ended 31 March 2025
Operational support charges	305,252	-
Staff costs	244,147	188,004
Advertising expenses	53,922	29,171
Consultancy fees	16,341	11,665
Warehouse expenses	15,326	22,688
Insurance expenses	6,185	12,583
Office rent expenses	3,840	3,840
Depreciation on plant and equipment (Note 5)	2,640	2,270
Transportation expense	2,534	2,233
Foreign exchange losses, net	2,236	2,210
Communication expenses	781	528
Allowance for impaired trade receivables (Note 8)	-	1,282
Other administrative expenses	<u>131,275</u>	<u>60,427</u>
	<u>784,479</u>	<u>336,901</u>

19 Finance costs

	Year ended 31 March 2026	Year ended 31 March 2025
Interest to related party (Note 14)	11,792	15,229
Net interest cost on actuarial valuation (Note 12)	<u>2,902</u>	<u>2,477</u>
	<u>14,694</u>	<u>17,706</u>

20 Taxation

Presently, there is no Corporate income tax in the Country. However, the Company is subject to Domestic Minimum Top-up tax.

Pillar Two Applicability

The Organization for Economic Cooperation and Development ("OECD") has published Global Anti-Base Erosion ("GloBE") Model Rules aimed at ensuring that the worldwide profits of multinational groups are subject to tax at a rate not lower than 15% in every jurisdiction in which the groups operate. ("Pillar Two").

Subsequently, on 1 September 2024, Bahrain's National Bureau for Revenue (NBR) published Decree-Law No. (11) of 2024 regarding the Implementation of Tax on Multinational Enterprises (Law). The Law introduces a Domestic Minimum Top-Up Tax (DMTT) to ensure that constituent entities (including companies, branches and permanent establishments) of multinational enterprises (MNEs) situated in Bahrain pay a global minimum tax of 15% on their profits.

Redington Group on a consolidated basis, operating in multiple jurisdictions, meets the Revenue threshold of EUR 750 Million for applicability of Pillar Two provisions implemented in the Country for the financial year starting on or after 1st January 2025. Accordingly, the Group will be liable to the Domestic Minimum Top Up Tax in Bahrain from present financial year (2025-26) onwards.

20 Taxation (continued)

Particulars	Amount in BHD
Taxes paid	-
Excess Profits [Pillar Two Income less Substance Based Exclusions]	
Top Up Tax @ 15%	30,243
Top up Tax Liability for the year	30,243
Advance tax paid as at year end	<u>(10,173)</u>
Net tax payable	<u>20,070</u>

The NBR issued the domestic minimum top-up tax (DMTT) advance payment manual on 2 July 2025. The Company is required to make advance tax payments for each three-month period or part of a three-month period (advance payment periods) during the fiscal year within 60 days after the end of each advance payment period. As a transitional measure, an exception has been provided for the transition year where the first DMTT advance payment is deferred and payable before the deadline for the second advance tax payment of the same fiscal year. Accordingly, the Company has paid advance DMTT for the first three quarters of the year and 4th quarter payment falls due on 31st May 2026.

The Company has accounted for this Top-up tax liability in its books - disclosed as tax expense in the statement of profit or loss and other comprehensive income.

21 Financial assets and liabilities and risk management

Financial assets and liabilities carried on the statement of financial position include bank balances, trade and other receivables (excluding prepayments) and trade and other payables (excluding employees' benefits). The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 March 2026 and 2025.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, lease liabilities, amounts due to related parties and trade and other payables less bank balances. Capital includes share capital and reserves attributable to the shareholders of the Company.

21 Financial assets and liabilities and risk management (continued)

Capital management (continued)

	31 March 2026	31 March 2025
Amounts due to related parties	2,778,089	2,946,252
Trade and other payables	2,004,186	928,123
Less: bank balances	<u>(948,401)</u>	<u>(220,067)</u>
Net debt	3,833,874	3,654,308
Share capital	50,000	50,000
Statutory reserve	25,000	25,000
Retained earnings	841,025	648,007
Other reserves	<u>9,230</u>	<u>3,625</u>
Total capital	<u>925,255</u>	<u>726,632</u>
Total capital and net debt	<u>4,759,129</u>	<u>4,380,940</u>
Gearing ratio	<u>80.56%</u>	<u>83.41%</u>

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables (excluding prepayments);
- Bank balances;
- Lease liabilities;
- Trade and other payables (excluding employees' benefits); and
- Amounts due to related parties.

A summary of the financial instruments held by category is provided below:

	31 March 2026	31 March 2025
<i>Financial assets at amortised cost</i>		
Trade and other receivables (excluding prepayments)	3,013,929	2,909,495
Bank balances	<u>948,401</u>	<u>220,067</u>
Total financial assets	<u>3,962,330</u>	<u>3,129,562</u>
	31 March 2026	31 March 2025
<i>Financial liabilities at amortised cost</i>		
Amounts due to related parties	2,778,089	2,946,252
Trade and other payables (excluding employees' benefits)	<u>1,989,899</u>	<u>916,490</u>
Total financial liabilities	<u>4,767,988</u>	<u>3,862,742</u>

21 Financial assets and liabilities and risk management (continued)

Risk management is carried out by the finance department of the Company under policies approved by the Directors. The Company's finance department evaluates financial risks in close co-operation with the Company's operating units. The Director provides principles for overall risk management, as well as policies covering specific areas.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless stated otherwise in this note.

The Company is exposed; to through its operations, to the following financial risks: credit risk, market risk, liquidity risk and fair value risk.

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. Concentrations of credit risk with respect to trade receivables are limited due to the Company's large number of customers that have a variety of end markets in which they sell. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables.

The Company does not enter into derivatives to manage risk, although in certain cases may take steps to mitigate such risks if it is sufficiently concentrated. Quantitative disclosures of the risk exposure in relation to assets are set out below. Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in Note 8 to these financial statements.

	At 31 March 2026	
	<u>Carrying value</u>	<u>Maximum exposure</u>
Financial assets at amortised cost		
Trade and other receivables (excluding prepayments)	3,013,929	3,007,110
Bank balances	<u>948,401</u>	<u>948,401</u>
Total financial assets	<u>3,962,330</u>	<u>3,955,511</u>
	At 31 March 2025	
	<u>Carrying value</u>	<u>Maximum exposure</u>
Financial assets at amortised cost		
Trade and other receivables (excluding prepayments)	2,909,495	2,908,805
Bank balances	<u>220,067</u>	<u>220,067</u>
Total financial assets	<u>3,129,562</u>	<u>3,128,872</u>

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in interest rate, currency rate, and equity price risk. The Company closely monitors the market forces and suitably revises the strategy to minimise the market risk.

Currency rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign currency transactions are generally in United States Dollars. The Bahrain Dinar is pegged to the United States Dollar, thus currency rate risk is assessed as minimal by management.

21 Financial assets and liabilities and risk management (continued)

Interest rate risk is the risk that the value of financial asset or liability will fluctuate due to changes in market interest rates. The Company's assets and liabilities, in the opinion of the management, are not sensitive to interest rate risk.

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity risk is managed by monitoring on a regular basis to help ensure that sufficient funds are available, including unutilised credit facilities with banks, to meet all liabilities as they fall due.

Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments not measured at fair value on recurring basis include trade and other receivables (excluding prepayments), bank balances, amounts due to related parties and trade and other payables (excluding employees' benefits). In the opinion of the management, due to the short-term nature of these financial instruments, the fair value of these financial instruments is not significantly different from their carrying amounts as at 31 March 2026 and 2025.

22 Comparative figures

Certain comparative figures have been reclassified to align with the current year's presentation and enhance the clarity and relevance of financial information. These reclassifications have no impact on previously reported profit, net assets, or equity.

23 Events after reporting period

Impact of recent geo-political events

Management is currently evaluating the potential impacts of recent geo-political developments within the region and evolving economic instability on the Company's financial position, its operations and cash flows including inflationary pressures, supply chain disruptions, elevated energy costs, interest rate changes, climate-related events and its ability to continue as a going concern. As at the date of signing these financial statements, in the opinion of the management, no material adverse effects are expected or have been identified on key financial statement areas of the Company. The management has plans to continuously monitor the future developments and make suitable strategic decisions.

There were no other significant events subsequent to 31 March 2026 and occurring before the date of the report that are expected to have a significant impact on these financial statements.