

CADENSWORTH FZE

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 MARCH 2026**

CADENSWORTH FZE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT YEAR ENDED 31 MARCH 2026

CONTENTS	PAGE
INDEPENDENT AUDITOR'S REPORT	1 – 3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
STATEMENT OF CHANGES IN EQUITY	6
STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8 – 33

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www.pkfuae.com**INDEPENDENT AUDITOR'S REPORT****To the Shareholder of CADENSWORTH FZE****Report on the Audit of the Financial Statements*****Opinion***

We have audited the financial statements of **CADENSWORTH FZE** (the "Establishment"), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Establishment as at 31 March 2026, and of its financial performance and its cash flows for the year then 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 Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates (UAE), and 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for their compliance with the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016, and for such internal control as management determines is necessary to enable the preparation of the 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 Establishment'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 Establishment or to cease operations, or has no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT

(continued)

Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment'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 Establishment'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 Establishment to cease to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT

(continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with 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.

Report on Other Legal and Regulatory Requirements

We further confirm that the financial statements comply with the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016.

For PKF – Chartered Accountants (Dubai Br)

**Saranga Lalwani**

Partner

Registration No. 5468

Dubai

United Arab Emirates

**19 JUN 2026**

CADENSWORTH FZE

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	2026 AED	2025 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,790	1,351
Investment in a subsidiary	7	1,000	1,000
		<u>3,790</u>	<u>2,351</u>
Current assets			
Inventories	8	1,147,516	8,836,045
Trade and other receivables	9	2,916,475	4,682,702
Other current assets	10	290,204	258,085
Current tax asset	21	--	263,727
Due from related parties	11	21,016,073	17,264,210
Cash and cash equivalents	12	--	--
		<u>25,370,268</u>	<u>31,304,769</u>
Total assets		<u>25,374,058</u>	<u>31,307,120</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	1,000,000	1,000,000
Re-measurement of defined benefit obligation		(258,903)	302,380
Retained earnings		15,261,535	14,304,006
		<u>16,002,632</u>	<u>15,606,386</u>
Non-current liability			
Provision for staff end-of-service benefits	14	4,100,670	3,158,318
Current liabilities			
Trade and other payables	15	1,447,186	10,374,700
Other current liabilities	16	2,488,397	2,085,066
Due to related parties	11	1,267,830	82,650
Current tax liabilities	21	67,343	--
		<u>5,270,756</u>	<u>12,542,416</u>
Total liabilities		<u>9,371,426</u>	<u>15,700,734</u>
Total equity and liabilities		<u>25,374,058</u>	<u>31,307,120</u>

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the shareholder on **19 JUN 2026** and signed on their behalf by Mr. Prasanath Pookot Kayapurath Kannanunni.

For **CADENSWORTH FZE**



MANAGER



CADENSWORTH FZE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 AED	2025 AED
Revenue	18	25,068,876	15,664,704
Cost of sales		(23,673,723)	(15,410,977)
Gross profit		1,395,153	253,727
Other income	19	--	34,426
General and administrative expenses	20	(1,188,274)	(2,086,717)
Finance costs on defined employee benefit plan	14	(139,166)	(159,852)
Reversal of impairment provision of/(impairment of trade receivables) (net)	9	1,012,670	(1,090,248)
PROFIT/(LOSS) BEFORE TAX		1,080,383	(3,048,664)
Income tax (expense)/benefit	21	(122,854)	273,946
PROFIT/(LOSS) FOR THE YEAR		957,529	(2,774,718)
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Actuarial (loss)/gain on defined employee benefit plan	14	(616,794)	113,543
Income tax benefit/(expense)	21	55,511	(10,219)
Other comprehensive income for the year		(561,283)	103,324
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		396,246	(2,671,394)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.



CADENSWORTH FZE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

	Share capital	Re-measurement of defined benefit obligation	Retained earnings	Total
	AED	AED	AED	AED
Balance at 1 April 2024	1,000,000	199,056	14,684,094	15,883,150
Gain on disposal of investment in associate	--	--	2,394,630	2,394,630
Comprehensive income				
- Loss for the year	--	--	(2,774,718)	(2,774,718)
- Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit and loss:</i>				
Actuarial gain on defined employee benefit plan	--	103,324	--	103,324
Total comprehensive income for the year	--	103,324	(2,774,718)	(2,671,394)
Balance at 31 March 2025	1,000,000	302,380	14,304,006	15,606,386
Comprehensive income				
- Profit for the year	--	--	957,529	957,529
<i>Items that will not be reclassified subsequently to profit and loss:</i>				
Actuarial loss on defined employee benefit plan	--	(561,283)	--	(561,283)
Total comprehensive income for the year	--	(561,283)	957,529	396,246
Balance at 31 March 2026	1,000,000	(258,903)	15,261,535	16,002,632

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 to 3.



CADENSWORTH FZE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
Cash flows from operating activities		
Profit/(Loss) before tax	1,080,383	(3,048,664)
Adjustments for:		
Depreciation of property, plant and equipment	2,246	2,520
Reversal of allowance for expected credit loss	(1,012,670)	--
Allowance for expected credit loss	--	1,090,248
Finance costs on defined employee benefit plan	139,166	159,852
Provision for obsolete inventories (net)	85,062	151,626
Provision for staff end-of-service benefits	227,767	268,666
	<u>521,954</u>	<u>(1,375,752)</u>
Changes in:		
- Inventories	7,603,467	(265,851)
- Trade and other receivables	2,778,897	(412,142)
- Other current assets	(32,119)	74,249
- Trade and other payables	(8,927,514)	(631,489)
- Other current liabilities	403,331	(203,985)
Staff end-of-service benefits paid	(41,375)	(312,735)
Net cash from/(used) in operating activities	<u>2,306,641</u>	<u>(3,127,705)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(3,685)	--
Proceeds on disposal of investment in associate	--	2,879,240
(Payments to)/receipts from related parties (net)	(3,488,136)	3,144,882
Net cash (used in)/from investing activities	<u>(3,491,821)</u>	<u>6,024,122</u>
Cash flows from financing activities		
Received from/(Payments to) related parties (net)	1,185,180	(2,896,417)
Net cash (used in) financing activities	<u>1,185,180</u>	<u>(2,896,417)</u>
Net change in cash and cash equivalents	<u>--</u>	<u>--</u>
Cash and cash equivalents at beginning of year	<u>--</u>	<u>--</u>
Cash and cash equivalents at end of year (note 12)	<u><u>--</u></u>	<u><u>--</u></u>
Non-cash activities include:		
Transfer of provision for staff end-of-service benefits to a related party	<u>--</u>	<u>251,452</u>

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. REPORTING ENTITY

- a) **CADENSWORTH FZE** (the “Establishment”) with license No. 3421 is registered as a Free Zone Establishment in Jebel Ali Free Zone, United Arab Emirates. The Establishment was incorporated on 20 May 2002 with limited liability pursuant to Law No. 9 of 1992 and the Implementing Regulations No. 1/92 (repealed by Jebel Ali Free Zone Companies Implementing Regulations 2016) issued by Jebel Ali Free Zone Authority. The registered address is P. O. Box 17441, Dubai, UAE.
- b) The Establishment’s business activities as per the trade license issued by Jebel Ali Free Zone Authority are trading in information technology products and spare parts.
- c) The Establishment is a wholly owned subsidiary of Redington Gulf FZE (the “parent company”), a company incorporated in Dubai, United Arab Emirates. Redington Limited, India, a public limited company is the “ultimate parent company”.
- d) These financial statements are the separate financial statements of the Establishment. The Establishment has availed the exemption of IFRS 10, wherein the Establishment will not prepare consolidated financial statements, as the Establishment and its subsidiary are included by full consolidation, in the consolidated financial statements of its parent company which are available for public use. The consolidated financial statements of parent company can be obtained from its registered office at P.O Box: 17266, Plot No: S30902, Jebel Ali Free Zone, Dubai, United Arab Emirates.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2025, and the requirements of Jebel Ali Free Zone Companies Implementing Regulations 2016.

b) Basis of measurement

The financial statements are prepared using historical cost, except certain financial assets carried at fair value.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price 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.

c) Going concern

The financial statements are prepared on a going concern basis.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

When preparing the financial statements, management makes an assessment of the Establishment's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Establishment or to cease operation or has no realistic alternative but to do so.

d) **Adoption of new standards**

Standards, amendments, improvements and interpretations effective for the current period

The following amendments which became effective for current period, did not have any significant impact on the Establishment's financial statements:

- Amendments to IAS 21 – Lack of Exchangeability

New and revised IFRSs in issue but not yet effective and not early adopted

The following standards, amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7) (1 January 2026)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (1 January 2026)
- Annual Improvements to IFRS Accounting Standards—Volume 11 (1 January 2026)
- IFRS 18 *Presentation and Disclosures in Financial Statements* (1 January 2027)
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (1 January 2027)

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Establishment's functional currency.

3. **MATERIAL ACCOUNTING POLICIES**

The material accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Furniture, fixtures and office equipment

3 - 8 years



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Establishment and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Establishment recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Impairment of tangible assets**

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

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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

c) **Investment in subsidiary**

Subsidiary is an entity over which the Establishment exercises control. Control is achieved when the Establishment is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investment in subsidiary is accounted at cost less impairment losses, if any. Consolidated financial statements of the Establishment and its subsidiary are included in the consolidated financial statements of the parent company.

d) **Investments in an associate**

Investments where the Establishment has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the share capital of the investee entity, are treated as associates and accounted for using the cost method in accordance with IAS 27 and adjusted for any impairment.

e) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017 and its amendments, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Establishment pays Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Non-recoverable input VAT is charged to the relevant expenditure category or included in costs of non-current assets. The Establishment files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT Payable are offset and the net amount is reported in the statement of financial position as the Establishment has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

f) **Income and deferred tax**

Tax expense for the year comprises of current income tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the federal tax authorities on the taxable profits after considering tax allowances and exemptions and applying the applicable tax rates and laws. Deferred tax is recognised on the temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for non-deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

g) **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is arrived at using the Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

h) **Staff benefits**

The Establishment operates a defined benefit plan. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Establishment's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Establishment's gratuity plan is unfunded, the defined benefit obligation of which is determined annually by a qualified actuary using the projected unit credit method at each reporting date. Re-measurement of defined benefit obligation, which comprises of actuarial gains and losses are recognised in other comprehensive income in the period in which they occur. The Establishment determines the net interest expenses on the net defined benefit obligation, taking into account any changes in the defined benefit liability during the period as a result of contribution and benefit payments. Net interest expenses related to defined benefit plan are recognised in finance cost in the statement of profit or loss.

Provision is also made for employees' entitlement to annual leave and air fare for eligible employees as per the policy of the Establishment. Provision relating to annual leave and air fare is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

i) **Revenue**

The Establishment is in the business of trading in information technology products and spare parts and providing inventory handling services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Establishment expects to be entitled in exchange for those goods or services.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The Establishment recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Establishment expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Establishment satisfies a performance obligation at a point in time or over time.

The Establishment satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs; or
- The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Establishment's performance does not create an asset with an alternative use to the Establishment and the Establishment has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. The Establishment is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods

The Establishment has concluded that revenue from sale of goods should be recognised at a point in time when the control of the goods is transferred to the customer, generally on delivery of the goods.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Sale of services

The Establishment has concluded that revenue from inventory handling services should be recognised at a point in time.

j) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand.

k) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

l) **Provisions**

General

A provision is recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

m) **Contingencies and commitments**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

n) **Current versus non-current classification**

The Establishment presents assets and liabilities in the statement of financial position based on current/non-current classification.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period. or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period. Or
- There is no right to defer the settlement of the liability for at least twelve months after the reporting period.

The Establishment classifies all other liabilities as non-current.

o) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; debt investment at fair value through other comprehensive income; equity investment at fair value through other comprehensive income; or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Establishment's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment is performed at an instrumental level.

The Establishment's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Establishment determines the classification of its financial liabilities at initial recognition.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Establishment becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Establishment commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Establishment has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Establishment has transferred substantially all the risks and rewards of the asset,
 - or
 - (b) the Establishment has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Establishment may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income or at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss, using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of trade and other receivables, due from related parties and cash and cash equivalents.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes unlisted equity investments which the Establishment had not irrevocably elected to classify at fair value through other comprehensive income.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise of trade and other payables and due to related parties.

Impairment of financial assets

The Establishment recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Establishment expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses that result from all possible default events over the expected life of a financial instrument.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The Establishment measures the loss allowance at an amount equal to lifetime expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Bank balances, other receivables and other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Establishment has elected to measure loss allowances for trade receivables at an amount equal to lifetime expected credit losses. The Establishment applies a simplified approach in calculating expected credit losses. The Establishment does not track changes in credit risk, but instead recognised a loss allowance based on lifetime expected credit losses at each reporting date. The Establishment has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Establishment considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Establishment's historical experience and informed credit risk assessment and including forward looking information.

The Establishment assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Establishment considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Establishment in full, without recourse by the Establishment to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Establishment is exposed to credit risk.

At each reporting date, the Establishment assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Establishment.

p) Fair value measurement

The Establishment measures financial instruments, such as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at each reporting date. The Establishment also discloses the fair value of financial instruments measured at amortised cost.

The fair value is the price 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

q) Events after the reporting period

If the Establishment receives information after the reporting period, but prior to the date of authorisation for issue of the financial statements, about conditions that existed at the end of the reporting period, it assesses whether the information affects the amounts that it recognises in its financial statements. The Establishment adjusts the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Establishment does not change the amounts recognised in its financial statements, but discloses the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

4. JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

Following are the judgments made in applying accounting policies that affect the application of the Establishment's accounting policies and the amounts recognized in the financial statements:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Establishment's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Establishment applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

The Establishment determined that the sale of goods is provided as a single component to customers and accordingly it becomes single performance obligation in respect of the goods being sold.

Determine timing of satisfaction of performance obligation

The Establishment concluded that the revenue from sales of goods and services is to be recognised at a point in time when the control of the goods has transferred to the customers.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Following are the key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Establishment's risk management. Revisions to estimates are recognised prospectively.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Establishment's inventory, stated at AED 1,308,238 (previous year AED 10,217,198) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant and equipment and intangible assets are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(o).

Income tax

Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, at the tax rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Establishment considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Staff end-of-service benefits

The Establishment computes the provision for the liability to staff end-of-service benefits stated at AED 4,100,670 (previous year AED 3,158,318) covering all eligible employees. The amount of provision in the current year is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include determination of discount rate; future salary increases, mortality and withdrawal rate. Due to the complexity of valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

6. PROPERTY, PLANT AND EQUIPMENT

Furniture, fixtures and office equipment AED

Cost

At 1 April 2024 and 31 March 2025

281,654

Additions

3,685

31 March 2026

285,339

Accumulated depreciation

At 1 April 2024

277,783

Depreciation

2,520

At 31 March 2025

280,303

Depreciation

2,246

At 31 March 2026

282,549

Carrying amount

At 1 April 2024

3,871

At 31 March 2025

1,351

At 31 March 2026

2,790



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
7. INVESTMENT IN A SUBSIDIARY		
Cost of investment in CDW International Trading FZCO, DAFZA, Dubai, UAE	1,000	1,000

The nature of investment in a subsidiary company held by the Establishment is as follows:

Name of subsidiary	Principal activities	Country of incorporation	Registered proportion (%) of ownership interest	
			2026	2025
CDW International Trading FZCO	Trading in mobile phones and accessories, electrical and electronic devices spare parts and computers and computer peripheral equipments.	United Arab Emirates	100	100

The above subsidiary is under liquidation vide resolution passed by the Company dated 20 March 2025.

	2026 AED	2025 AED
8. INVENTORIES		
Goods-held-for sale	1,308,238	10,217,198
Less: Provision for obsolete inventories	(265,750)	(1,381,153)
	1,042,488	8,836,045
Goods in transit	105,028	--
	1,147,516	8,836,045

A reconciliation of the movements in the provision for obsolete inventories is as follows:

Opening balance	1,381,153	1,229,527
Provision made during the year	85,062	151,626
Inventory Written off	(1,200,465)	--
Closing balance	265,750	1,381,153

9. TRADE AND OTHER RECEIVABLES		
Trade receivables	3,011,777	5,753,584
Less: Allowance for expected credit losses	(171,511)	(1,184,181)
	2,840,266	4,569,403
Deposits	76,209	100,799
Staff advances	--	12,500
	2,916,475	4,682,702



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

A reconciliation of the movements in the allowance for expected credit losses on trade receivables is as follows:

	2026 AED	2025 AED
Opening balance	1,184,181	93,933
Provision made during the year	--	1,090,248
Provision no longer required	(1,012,670)	--
Closing balance	171,511	1,184,181
10. OTHER CURRENT ASSETS		
Prepayments	241,500	216,582
Advance for goods and services	45,172	25,555
VAT receivables (net)	3,532	15,948
	290,204	258,085

11. RELATED PARTIES

The Establishment enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise parent company, ultimate parent company, subsidiary, associate, companies under common ownership and/ or common management control and directors.

At the reporting date, significant balances with related parties were as follows:

	Parent company AED	Subsidiary	Companies under common ownership and common management control AED	Total 2026 AED	Total 2025 AED
Due from related parties	2,717,961	--	18,298,112	21,016,073	
	7,497,422	--	9,766,788		17,264,210
Due to related parties	--	1,195,793	72,037	1,267,830	
	--	--	82,650		82,650

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 22.

Transactions with related parties are approved by the management. Amounts due from and due to related parties relate to transactions arising in the normal course of business with minimal credit risk. For the year ended 31 March 2026, the Establishment has not recorded any allowance for expected credit losses of the amounts owed by the related parties (previous year AED Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Significant transactions with related parties during the year were as follows:

	Parent company	Companies under common ownership and common management control	Total 2026	Total 2025
	AED	AED	AED	AED
Revenue	--	4,819,751	4,819,751	
	--	4,641,810		4,641,810
Cost of revenue	97,452	489,594	587,046	
	93,163	520,917		614,079
Recharge of expenses	10,324,115	--	10,324,115	
	8,357,696	--		8,357,696
Management fees	--	943,098	943,098	
	--	918,839		918,839
Warehouse charges (note 20)	--	400,000	400,000	
	--	491,569		491,569
Transfer of provision of staff-end of service benefits to a related party	--	--	--	
	--	251,452		251,452

The Establishment also provides funds to/receives funds from related parties free of interest as and when required.

12. CASH AND CASH EQUIVALENTS

The establishment has bank accounts with Emirates NBD and Standard Chartered Bank and establishment has auto-sweep facility in the bank accounts wherein the balance outstanding at the close of each day is automatically transferred to Redington Gulf FZE (parent company). The balance in bank current accounts as at the reporting date is Nil (previous year Nil).

	2026 AED	2025 AED
13. SHARE CAPITAL		
Issued and paid up		
1 fully paid share of AED 1,000,000 held by Redington Gulf FZE, UAE.	1,000,000	1,000,000
14. PROVISION FOR STAFF END-OF-SERVICE BENEFITS		
Present value of unfunded obligation	4,100,670	3,158,318

Movements in the present value of defined employee benefits obligation are as follows:

Opening obligation	3,158,318	3,407,530
Service cost	227,767	268,666
Interest cost	139,166	159,852
Actuarial loss/(gain) on obligation	616,794	(113,543)
Transferred to a related party	--	(251,452)
Benefits paid during the year	(41,375)	(312,735)
Closing obligation	4,100,670	3,158,318



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Expense recognised in profit or loss during the year are as follows:

	2026 AED	2025 AED
Service cost (note 20)	227,767	268,666
Interest cost	139,166	159,852
	<u>366,933</u>	<u>428,518</u>

Loss/(gain) recognised in other comprehensive income are as follows:

Actuarial loss/(gain) for the current year	<u>616,794</u>	<u>(113,543)</u>
--	----------------	------------------

Principal assumptions used for the purpose of actuarial valuation are as follows:

Discount rate	4.65%	4.80%
Salary escalation rate (per annum) – 1 year	4.65%	4.80%
Mortality rate (table)	Per AM (80) table	Per AM (80) table
Withdrawal rate	<u>10%</u>	<u>10%</u>

In accordance with the provisions of IAS 19 Employee Benefits, the management has carried out an exercise to assess the present value of its obligations as at 31 March 2026, using the projected unit credit method, in respect of employees' end-of-service benefits payable under the local labour laws. Under this method, an assessment has been made of an employee's expected service life with the Establishment and the expected basic salary as at the date of leaving the service.

15. TRADE AND OTHER PAYABLES

Trade payables	1,380,943	10,305,639
Accruals	66,243	69,061
	<u>1,447,186</u>	<u>10,374,700</u>

The entire trade and other payables are due for payment within one year from the reporting date.

16. OTHER CURRENT LIABILITIES

Advance received from customers	125,819	506,753
Accrual for staff benefits	2,362,578	1,578,313
	<u>2,488,397</u>	<u>2,085,066</u>



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

17. MANAGEMENT OF CAPITAL

The Establishment's objectives when managing capital are to ensure that the Establishment continues as a going concern and to provide the shareholder with a rate of return on their investment commensurate with the level of risk assumed.

Capital, comprises equity funds as presented in the statement of financial position. Debt comprises total amounts owed by the Company, net of cash and cash equivalents.

The Establishment is not subject to externally imposed capital requirements.

Funds generated from internal accruals together with funds received from related parties free of interest, are retained in the business according to the business requirements and to maintain capital at desired levels.

18. REVENUE

The Establishment generates revenue from the transfer of goods and services at a point in time. The disaggregated revenue from contracts with customers by geographical segments, contract type and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Establishment's revenue and cash flows.

	2026 AED	2025 AED
Primary geographical segments		
- UAE	2,433,331	6,850,563
- African countries	185,355	4,953,890
- Other Middle East countries	1,364,289	2,539,039
- Asian countries	21,085,901	1,321,212
	<u>25,068,876</u>	<u>15,664,704</u>
Major goods/service lines		
<i>Trading</i>		
- Information technology products and spare parts	24,754,803	14,222,090
<i>Services</i>		
- Inventory handling charges	314,073	1,442,614
	<u>25,068,876</u>	<u>15,664,704</u>
Timing of revenue recognition		
- At a point in time	<u>25,068,876</u>	<u>15,664,704</u>
19. OTHER INCOME		
Net exchange gains	--	31,199
Miscellaneous income	--	3,227
	<u>--</u>	<u>34,426</u>



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
20. GENERAL AND ADMINISTRATIVE EXPENSES		
Staff salaries and benefits	9,562,269	8,321,984
Staff end-of-service benefits	227,767	268,666
Depreciation of property, plant and equipment	2,246	2,520
Management fees	943,098	918,839
Provision for obsolete inventories	85,062	151,626
Warehouse charges	400,000	491,569
Legal and professional fees	21,648	13,336
Travelling and conveyance expenses	60,412	46,933
Bank charges	22,085	21,924
Net Exchange loss	8,967	--
Other expenses	178,835	207,016
	11,512,389	10,444,413
Less: recharged to related parties	(10,324,115)	(8,357,696)
	1,188,274	2,086,717

21. INCOME TAX EXPENSE

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the 'CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law is effective for the financial years beginning on or after 1 June 2023.

UAE CT law specifies that a tax rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000.

This note provides an analysis of the Company's income tax expense and shows the amounts which are recognised directly in equity and the impact of tax expense which is affected by non-assessable and non-deductible items. The Establishment has registered for corporate tax as a group with Redington Gulf FZE, parent entity.

	2026 AED	2025 AED
Statement of financial position		
Current tax liabilities/(asset)	67,343	(263,727)
Statement of profit or loss and other comprehensive income		
Profit or loss - income tax expense/(benefit)	122,854	(273,946)
Other comprehensive income – income tax (expense)/benefit	(55,511)	10,219
	67,343	(263,727)



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Reconciliation of accounting profit/(loss) incurred and current tax expense/(benefit)

	2026 AED	2025 AED
Profit/(loss) before tax	1,080,383	(3,048,664)
Add: Actuarial (loss)/gain on defined employee benefit plan	(616,794)	113,543
Add: Non-deductible expense	8,236	4,817
Taxable income/(loss)	471,825	(2,930,304)
Income taxable at 9%	471,825	(2,930,304)
Tax expense/(benefit)	42,464	(263,727)
Pillar-2 Top-up Tax	24,879	--
Current tax expense	67,343	--
Movement in corporate tax payable:		
Opening balance	(263,727)	--
Provision for the year	67,343	(263,727)
Transferred to related party during the year	263,727	--
Closing balance	67,343	(263,727)

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At fair value through profit or loss		At amortised cost	
	2026 AED	2025 AED	2026 AED	2025 AED
Financial assets				
Trade and other receivables	--	--	2,916,475	4,682,702
Due from related parties	--	--	21,016,073	17,264,210
Cash and cash equivalents	--	--	--	--
	--	--	23,932,548	21,946,912
Financial liabilities				
Trade and other payables	--	--	1,447,186	10,374,700
Due to related parties	--	--	1,267,830	82,650
	--	--	2,715,016	10,457,350



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade and other receivables, due from related parties, other financial assets, due to related parties and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management

Risk management objectives

Risk is inherent in the Establishment's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Establishment's continuing profitability. The Establishment's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The Establishment does not actively engage in trading of financial assets for speculative purpose.

The primary risks to which the business is exposed, comprise credit risk, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

The management of the Establishment reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Establishment to concentrations of credit risk comprise principally cash and cash equivalents, other financial assets, trade and other receivables and due from related parties.

The Establishment's bank accounts are placed with high credit quality financial institutions.



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The management assesses the credit risk arising from trade and other receivables taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Amounts due from related parties relate to transactions arising in the normal course of business with minimal credit risk.

At the reporting date, the Establishment's maximum exposure to credit risk from such receivables situated outside the UAE is as follows:

	Due from related parties		Trade receivables	
	2026	2025	2026	2025
	AED	AED	AED	AED
Asian countries	--	--	93,781	1,479,542
African countries	2,995,445	3,601,567	1,100,404	2,274,763
Other Middle East countries	2,676,421	2,185,693	169,110	369,499
American countries	--	--	--	8,129
European countries	--	--	--	1,413

At the reporting date 72% of trade receivables were due from three customers (previous year 64% due from four customers).

At the reporting date 77% of amount due from related parties are due from three related parties (previous year 65% from two related parties).

At the reporting date, there is no significant concentration of credit risk from any particular industry as the Establishment's customers are from diverse industries.

The Establishment uses an allowance matrix to measure the expected credit losses of trade receivables, which comprise number of balances. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from individual customers as at the reporting date:

	Loss rate		Gross carrying amount		Loss allowance	
	2026	2025	2026	2025	2026	2025
	%	%	AED	AED	AED	AED
Not past due	0.00%	0.00%	304,125	1,086,033	--	--
1-90 days past due	0.00%	0.00%	1,064,364	934,063	--	--
91-180 days past due	0.00%	0.00%	179,759	812,175	--	--
More than 180 days past due	11.72%	40.54%	1,463,529	2,921,313	(171,511)	1,184,181
			3,011,777	5,753,584	(171,511)	1,184,181



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Establishment's view of economic conditions over the expected lives of the receivables.

Liquidity risk

Liquidity risk is the risk that the Establishment may encounter difficulty in meeting financial obligations due to shortage of funds. The Establishment's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Establishment's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Establishment's reputation. The Establishment manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Establishment's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year	
	2026	2025
	AED	AED
Trade and other payables	1,447,186	10,374,700
Due to related parties	1,267,830	82,650
	<u>2,715,016</u>	<u>10,457,350</u>

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Establishment's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed except for trade payables of AED 9,840 (previous year AED 51,591) denominated in Euro.

Reasonably possible changes to exchange rates at the reporting date are unlikely to have had a significant impact on profit or equity.



CADENSWORTH FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

The Establishment is not subject to any significant interest rate risks.

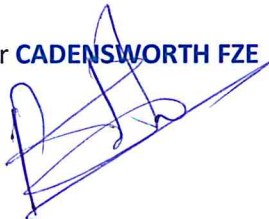
23 CURRENT ONGOING CONFLICT IN THE WEST ASIA REGION

The ongoing geopolitical conflict in the West Asia Region have introduced a degree of uncertainty in the Global and regional environment. The United Arab Emirates may experience indirect impacts arising from these developments. The Company has assessed the potential implications of the situation on its operations and financial performance as at the reporting date.

While there is no material direct impact on the Company's financial statements for the current reporting period, the management continues to closely monitor the situations in the region.

Potential risk that may arise include fluctuations in oil prices, disruptions to supply chain, increased transportation/insurance cost which could have an impact on the Company's operations in the future periods.

For **CADENSWORTH FZE**



MANAGER

