

C.R. : 1356187  
Gsm :92328222  
P.O.Box : 1098  
Salalah: 211  
Sultanate of Oman

الملكى لتدقيق الحسابات ش.ش.و  
AL MALEKY AUDITING SPC

س.ت: ١٣٥٦١٨٧  
نقال: ٩٢٣٢٨٢٢٢  
ص.ب: ١٠٩٨  
صلاية: ٢١١  
سلطنة عمان

FELIX INDUSTRIES LLC  
(CR : 1490159)  
P.O.BOX: 123, PC:111  
SULTANATE OF OMAN

AUDITOR'S REPORT & FINANCIAL STATEMENTS  
AS ON 31 MARCH 2024

<u>CONTENTS</u>	<u>PAGES</u>
Independent Auditors' Report AS ON 31 MARCH 2024	1
Statement of Financial position as at 31 MARCH 2024	2
Statement of Comprehensive income for the period from 14 June 2023 to 31MARCH 2024	3
Statement of Changes in equity for the period from 14 June 2023 to 31 MARCH 2024	4
Statement of Cash flows for the period from 14June 2023 to 31 MARCH 2024	5
Notes related to the Financial Statements	6-11

## INDEPENDENT AUDITOR'S REPORT

### The Partners

**FELIX INDUSTRIES LLC**  
**Muscat- Sultanate of Oman**  
**Report on Financial Statements**

We have audited the accompanying financial statements of, **FELIX INDUSTRIES LLC** , which comprise the statement of financial position as at **March 31, 2024**, for the year ended, and a summary of significant accounting policies and other explanatory notes. Management's Responsibility for the Financial Statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of, **FELIX INDUSTRIES LLC** , as at **March 31, 2024**, and of its performance and cash flow for the year ended in accordance with International Financial Reporting Standards and comply in all material respects with the relevant disclosure requirement of the Commercial Companies Law of 2019, as amended.

**AL MALEKY AUDITING**

**29/05/2024**



FELIX INDUSTRIES LLC  
(Limited Liability Company)  
Statement of Financial Position  
as at 31 MARCH 2024

<u>ASSETS</u>	<u>Notes</u>	<u>2024</u> <u>RO</u>
<b>Non-current assets</b>		
Property and equipment - net	4	66,587
<b>Current assets</b>		
Stock		73,688
Trade and other receivables	5	174,646
Advances and prepayments		117,003
Cash and cash equivalents	6	38,223
		<u>403,560</u>
<b>TOTAL ASSETS</b>		<u><b>470,147</b></u>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity</b>		
Share capital	7	250,000
Retained earnings		56,803
Legal reserve	8	-
Partners' account		-
		<u>306,803</u>
<b>Current liabilities</b>		
Trade and other payables	9	153,619
Short term interest free loan		3,450
Provision for taxation		6,274
		<u>163,343</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>470,147</b></u>

The notes on pages 6 to 11 form an integral part of these financial statements  
Auditor's report page 1





FELIX INDUSTRIES LLC  
(Limited Liability Company)

Statement of Comprehensive Income  
for the period from 14June 2023 to 31 MARCH 2024

	Notes	2024 RO
Sales		234,756
Cost of sales	10	(27,137)
<b>Gross profit</b>		<b>207,619</b>
Other income		28,257
<b>Total income</b>		<b>235,876</b>
<b>Operating expenses</b>		
Employment cost	11	(86,041)
General and administrative expenses	12	(88,245)
Depreciation	4	(2,836)
<b>Operating profit</b>		<b>58,754</b>
Financial charges		(1,951)
<b>Profit for the year before tax</b>		<b>56,803</b>
Taxation		-
<b>Profit for the year after tax</b>		<b>56,803</b>
Other comprehensive income		-
<b>Total comprehensive profit for the year</b>		<b>56,803</b>

The notes on pages 6 to 11 form an integral part of these financial statements

Auditor's report page 1



FELIX INDUSTRIES LLC  
(Limited Liability Company)

Statement of Changes in equity  
for the period from 14 June 2023 to 31 MARCH 2024

	Share capital	Retained earnings	Partners' account	Legal reserve	Total
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
capital infused during the year	250,000	-	-	-	250,000
Net profit for the period 'AS ON 31 MARCH 2024		56,803	-	-	56,803
Transfer to legal reserve	-	-	-	-	-
Movement in partners' account	-	-	-	-	-
<b>Balance as at MARCH 31, 2024</b>	<b>250,000</b>	<b>56,803</b>	<b>-</b>	<b>-</b>	<b>306,803</b>

The notes on pages 6 to 11 form an integral part of these financial statements  
Auditor's report page 1



FELIX INDUSTRIES LLC  
(Limited Liability Company)

Statement of Cash flows  
for the period from 14 June 2023 to 31 MARCH 2024

	Notes	2024 RO
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year before tax		56,803
<b>Adjustment for:</b>		
Depreciation	4	2,836
<b>Operating profit before working capital changes</b>		59,639
<b>Working capital changes</b>		
Stock		(73,688)
Trade and other receivables		(174,646)
Advances and prepayments		(117,003)
Short term interest free loan		9,724
Trade and other payables		153,619
<b>Cash (used in) operating activities</b>		(142,355)
Taxes paid		-
<b>Net cash (used in) operating activities</b>		(142,355)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	4	(69,423)
<b>Net cash (used in) investing activities</b>		(69,423)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Movement in partners' account		250,000
<b>Net cash (used in) financing activities</b>		250,000
Net (decrease) in cash and cash equivalents		38,223
Cash and cash equivalents at the beginning of the year		-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>38,223</b>

The notes on pages 6 to 11 form an integral part of these financial statements  
Auditor's report page 1





**FELIX INDUSTRIES LLC**

(Limited Liability Company)

Notes to the Financial statement for the period ended 31MARCH 2024

**1. LEGAL STATUS AND PRINCIPAL ACTIVITIES**

Felix Industries LLC ("the Company") is a limited liability Company, registered under the commercial company laws of Sultanate of Oman (CR No.1490159) with a share capital of R.O 250,000/- . The main activities of the Company are wholesale of metal & non-metal waste, scrap and materials for recycling.

**2. STATEMENT OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in Sultanate of Oman and the requirements of the Commercial Companies Law of 1974, as amended.

**2.2 Basis of preparation**

These financial statements are prepared on the historical cost basis.

**2.3 Functional currency**

These financial statements are presented in Rial Omani (R.O) which is the Company's functional currency.

**2.4 Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation. The cost of property and equipment is their purchase price together with any incidental expenses in bringing the asset to their present location and condition. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in items of property and equipment. All other expenditure is recognized in the statement of comprehensive income as an expense as incurred. Depreciation is charged to the statement of comprehensive income on a reducing balance method.

Depreciation rates are as follows:

Plant and machinery	15%
Motor vehicles	20%
Computer and accessories	20%

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining the total comprehensive income or loss.



**FELIX INDUSTRIES LLC**

(Limited Liability Company)

Notes to the Financial statement for the period ended 31MARCH 2024

**3.2 Impairment of assets**

**Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

**Non financial assets**

The Company assesses at each end of the reporting period whether there is any indication that assets, except deferred tax assets and investment property, may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of comprehensive income. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**3.3 Trade and other receivables**

Trade and other receivables are measured at cost. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income. The carrying values of trade and other receivables approximate to their fair value due to the short term nature of those receivables.

**3.4 Cash and cash equivalents**

For the purpose of cash flow statement cash and cash equivalents comprise cash in hand and at bank and bank overdrafts.

**3.5 Trade and other payables**

Liabilities are recognized for goods and services during the accounting year which are required to be paid in future, whether or not billed by the suppliers.

**3.6 Provisions**

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each end of the reporting date and adjusted to reflect the current best estimate.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting date, taking into account the risks and uncertainties surrounding the obligation. Future operating losses are not provided for.

**3.7 Revenue**

Revenue from services and related trading is recognized as and when invoice is raised and risk and rewards are transferred to the client.

**3.8 Taxation**

Taxation is provided in accordance with the Sultanate of Oman's fiscal regulations. Deferred taxation is provided using the liability method on all temporary differences at the reporting date. It is calculated at the tax rates that are expected to apply to the period when it is anticipated the liabilities will be settled, and it is based on tax rates (and laws) that have been enacted at the end of the reporting period.

**3.9 Foreign currency transaction**

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Riyal Omani at the rate of exchange prevailing at the end of the reporting date and exchange differences, if any, are taken to statement of comprehensive income for the year.

**3.10 Expenses**

Expenses are recognized as and when these are incurred.

FELIX INDUSTRIES LLC

(Limited Liability Company)

Notes to the Financial statement for the period ended 31MARCH 2024

4. PROPERTY AND EQUIPMENT - NET

	Plant and machinery	Motor vehicles	Computer, software and accessories	Total
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
<b><u>Cost</u></b>				
As at June 14, 2023	-	-	-	-
Additions	68,267	-	1,156	69,423
As at MARCH 31, 2024	<b>68,267</b>	<b>-</b>	<b>1,156</b>	<b>69,423</b>
<b><u>Depreciation</u></b>				
As at June 14, 2023	-	-	-	-
Charge for the year	2,605	-	231	2,836
As at MARCH 31, 2024	<b>2,605</b>	<b>-</b>	<b>231</b>	<b>2,836</b>
<b><u>Net book value</u></b>				
As at MARCH 31, 2024	<b>65,662</b>	<b>-</b>	<b>925</b>	<b>66,587</b>
Rate of depreciation	15%	20%	20%	

**FELIX INDUSTRIES LLC**

(Limited Liability Company)

Notes to the Financial statement for the period ended 31MARCH 2024

	<b><u>2024</u></b>
	<b><u>RO</u></b>
<b>5. TRADE AND OTHER RECEIVABLES</b>	
Receivable from customers	174,646
	<b><u>174,646</u></b>
<b>6. CASH AND CASH EQUIVALENTS</b>	
Cash in hand	19,918
Cash at bank	18,305
	<b><u>38,223</u></b>
<b>7. SHARE CAPITAL</b>	
The share capital of the Company comprises of RO 250,000 consisting of 250,000 ordinary shares of RO 1 each.	
<b>8. LEGAL RESERVE</b>	
As per the Commercial Companies Law of Oman, annual appropriation of 10% of the Company's net profit is to be made to a non-distributable legal reserve, until the amount of legal reserve becomes equal to one-third of the amount of issued share capital.	
	<b><u>2024</u></b>
	<b><u>RO</u></b>
<b>9. TRADE AND OTHER PAYABLES</b>	
Sundry creditors	153,619
Other payables	9,724
	<b><u>163,343</u></b>
<b>10. COST OF SALES</b>	
Opening stock	-
Purchases during the period	91,302
Direct expenses	9,523
Closing stock	(73,688)
	<b><u>27,137</u></b>
<b>11. EMPLOYMENT COST</b>	
Salaries, wages and related costs	86,041
Medical	-
	<b><u>86,041</u></b>



FELIX INDUSTRIES LLC

(Limited Liability Company)

Notes to the Financial statement for the period ended 31MARCH 2024

	<u>2024</u>
	<u>RO</u>
<b>12. GENERAL AND ADMINISTRATIVE EXPENSES</b>	
CAR MAINTENANCE EXP	1,025
CIVIL WORK	500
Cooking Exp	460
Custom Duty Exp	7,217
Electricity Expenses	2,528
Food & Beverage Expenses	1,228
Hotel Accommodation Expenses	466
Internet Expenses	271
LABOUR EXP	180
Machinery Repairing Exp	161
Office Exp	705
Other Exp	219
Petrol & Diesel Exp	751
Printing, Postage and Stationery Exp	7
RENT EXP	37,000
Repairing Exp	531
Software Expenses	1,145
Special Exp - Company	88
Telephone Expenses	84
Transportation Exp	15,558
Travelling Exp	667
Visa Renewal Fees	146
medical Exp	45
Water Expenses	740
Miscellaneous	16,523
	<u>88,245</u>



**FELIX INDUSTRIES LLC**

(Limited Liability Company)

Notes to the Financial statement for the period ended 31MARCH 2024

**13. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT**

**13.1 Credit risk management**

Credit Risk is the risk of Financial loss to the company if a customer or counterparty to any financial instrument fails to meet its contractual obligation and arises principally from the Company's receivables from Customers.

Trade receivables are stated net of provision for doubtful debts. There are no significant concentrations of credit risk with any single customer or group of companies or to customer outside the industry and the country in which the company operates. The maximum exposure to Credit risk on trade receivables is limited to their carrying values at the reporting date.

**13.2 Liquidity risk management**

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of various liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

**13.3 Foreign exchange risk management**

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings in currencies other than Company's currency of reporting. The management considers there are no significant exchange rate risk as majority of the foreign currency transactions are either in Rial Omani or currencies linked to US dollars.

**14. GENERAL**

The figures in these financial statements are rounded off to the nearest Omani Rials.