

GAVS TECHNOLOGIES LLC

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2025**

Registered address:

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Knowledge Oasis Muscat, P.O.Box 110, PC 124
Seeb, Sultanate of Oman

GAVS TECHNOLOGIES LLC

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
GAVS TECHNOLOGIES LLC****Opinion**

We have audited the financial statements of GAVS Technologies LLC ('the Company'), which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Commercial Companies Law of the Sultanate of Oman.

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 ethical requirements that are relevant to our audit of the financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the Commercial Companies Law of the Sultanate of Oman, 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 has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
GAVS TECHNOLOGIES LLC**

Auditor's responsibilities for the audit of the financial statements (continued)

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 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 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.

CROWE MAK GHAZALI LLC



Tom C Mathew
Senior Partner - Audit

Muscat, Sultanate of Oman
31 July 2025

GAVS TECHNOLOGIES LLC

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

ASSETS	Note	2025	2024
		RO	RO
Non-current assets			
Furniture and equipment	5	328	546
Right-of-use assets	6	6,608	15,500
Deferred tax asset	7	11,132	11,132
		<u>18,068</u>	<u>27,178</u>
Current assets			
Accounts receivable	8	180,667	89,081
Contract assets	9	47,588	88,186
Amount due from related parties	10	179,000	763,827
Other receivables and prepayments	11	30,542	43,987
Cash and bank balances	12	12,226	383,033
		<u>450,023</u>	<u>1,368,114</u>
Total assets		<u>468,091</u>	<u>1,395,292</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	13	250,000	250,000
Legal reserve	14	83,333	83,333
(Accumulated loss)/retained earnings		(40,331)	855,389
Total equity		<u>293,002</u>	<u>1,188,722</u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits	15	66,572	68,696
Non-current portion of lease liabilities	6	-	7,094
		<u>66,572</u>	<u>75,790</u>
Current liabilities			
Current portion of employees' end of service benefits	15	9,108	
Current portion of lease liabilities	6	7,058	8,979
Amount due to related parties	10	-	11,863
Accounts payable and accruals	16	92,351	98,402
Income tax payable	7	-	11,536
		<u>108,517</u>	<u>130,780</u>
Total liabilities		<u>175,089</u>	<u>206,570</u>
Total equity and liabilities		<u>468,091</u>	<u>1,395,292</u>

These financial statements were approved by the shareholders on 31st July, 2025 and signed on their behalf by:

K. Rangala
AUTHORISED SIGNATORY
 CR NO - 1100505
 Sultanate of Oman
 TECHNOLOGIES LLC

The notes on pages 7 to 24 form part of these financial statements.

GAVS TECHNOLOGIES LLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	<u>Note</u>	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Revenue	17	635,190	827,806
Cost of revenue	18	(425,795)	(603,169)
Gross profit		<u>209,395</u>	<u>224,637</u>
Other income	19	62,947	55,647
Total income		<u>272,342</u>	<u>280,284</u>
Salaries and other related staff costs	20	133,883	125,792
General and administrative expenses	21	131,359	40,541
Finance charges	22	1,271	1,704
Depreciation on furniture and equipment	5	218	15
Depreciation on right-of-use assets	6	8,892	8,857
Loss allowance on accounts receivable	8	-	39,766
Other receivables and prepayments written off		13,987	-
Loss allowance on contract assets	9	-	1,752
Total expenses		<u>289,610</u>	<u>218,427</u>
(Loss)/ profit before income tax		(17,268)	61,857
Income tax	7	(7,876)	(21,631)
(Loss)/ profit and total comprehensive (loss)/ income for the year		<u>(25,144)</u>	<u>40,226</u>

The notes on pages 7 to 24 form part of these financial statements.

GAVS TECHNOLOGIES LLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	<u>Share capital</u> <u>RO</u>	<u>Legal reserve</u> <u>RO</u>	<u>(Accumulated loss)/retained earnings</u> <u>RO</u>	<u>Total</u> <u>RO</u>
At 1 April 2023	250,000	83,333	950,956	1,284,289
Profit for the year	-	-	40,226	40,226
Dividend paid	-	-	(135,793)	(135,793)
At 31 March 2024	<u>250,000</u>	<u>83,333</u>	<u>855,389</u>	<u>1,188,722</u>
At 1 April 2024	250,000	83,333	855,389	1,188,722
Loss for the year	-	-	(25,144)	(25,144)
Dividend paid	-	-	(870,576)	(870,576)
At 31 March 2025	<u><u>250,000</u></u>	<u><u>83,333</u></u>	<u><u>(40,331)</u></u>	<u><u>293,002</u></u>

The notes on pages 7 to 24 form part of these financial statements.

GAVS TECHNOLOGIES LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	<u>Note</u>	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Cash flows from operating activities			
(Loss)/ profit before income tax		(17,268)	61,857
Adjustments for:			
Depreciation on furniture and equipment	5	218	15
Depreciation on right-of-use assets	6	8,892	8,857
Lease adjustment	6	-	(3,874)
Loss allowance on accounts receivable	8	-	39,766
Loss allowance on contract assets	9	-	1,752
Accrual for employees' end of service benefits	15	25,101	10,506
Reversal of employees' end of service benefits	19	-	(6,002)
Reversal of provision	19	-	(49,645)
Reversal of allowance for expected credit loss	19	(62,947)	-
Foreign exchange loss	21	420	81
Bad debts written off	21	2,615	-
Other receivables and prepayments written off		13,987	-
Interest on lease liabilities	22	585	1,140
Cash flows before working capital changes		<u>(28,397)</u>	<u>64,453</u>
<i>Changes in working capital:</i>			
Accounts receivable		(41,870)	36,451
Contract assets		50,794	(8,404)
Other receivables and prepayments		(4,384)	213
Accounts payable and accruals		(6,051)	36,242
Cash (used in)/ from operations		<u>(29,908)</u>	<u>128,955</u>
Employees' end of service benefits paid	15	(18,117)	(32,859)
Income tax paid	7	(15,570)	(1,938)
Net cash (used in)/ from operating activities		<u>(63,595)</u>	<u>94,158</u>
Cash flows from investing activities			
Purchase of furniture and equipment	5	-	(561)
Amount due from related parties		584,827	(54,151)
Net cash from/ (used in) investing activities		<u>584,827</u>	<u>(54,712)</u>
Cash flows from financing activities			
Dividend paid		(870,576)	(135,793)
Principal portion of lease liabilities paid		(9,015)	(8,460)
Interest paid on lease liabilities		(585)	(1,140)
Amount due to related parties		(11,863)	1,471
Net cash used in financing activities		<u>(892,039)</u>	<u>(143,922)</u>
Net change in cash and cash equivalents during the year		<u>(370,807)</u>	<u>(104,476)</u>
Cash and cash equivalents at the beginning of the year		383,033	487,509
Cash and cash equivalents at the end of the year	12	<u>12,226</u>	<u>383,033</u>

The notes on pages 7 to 24 form part of these financial statements.

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Legal status and principal activities

GAVS Technologies LLC ('the Company') is a limited liability company registered with the Ministry of Commerce, Industry and Investment Promotion in accordance with the provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman.

The registered activities of the Company are system analysis, designing and programming software and other human resources provision.

The Company's registered office is located at office no.11, 5th floor, building no.4, Knowledge Oasis Muscat, P.O. Box 110, P.C. 124, Seeb, Sultanate of Oman.

2 Basis of preparation and adoption of new and amended IFRS Accounting Standards

Statement of compliance

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

Functional and presentation currency

The financial statements have been prepared in Rial Omani ("RO") which is the functional and presentation currency of the Company. The figures in these financial statements are rounded-off to the nearest RO, unless otherwise stated.

New standards, amendments and interpretations to existing IFRS Accounting Standards that became effective on 01 April 2024

Following new Standards, amendments to Standards and interpretations have become effective for the first time for the Company's reporting periods beginning on or after 1 April 2024:

- a) Amendments to IAS 1 for:
 - i) Classification of Liabilities as Current or Non-Current
 - ii) Non-Current Liabilities with Covenants
- b) Amendment to IFRS 16 for: Lease liability in a sale and lease back
- c) Amendments to IAS 7 and IFRS 7 for: Supplier Finance Arrangements
- d) Amendments to IAS 12 for: International Tax Reform - Pillar Two Model Rules

The Company has adopted all of the above new Standards and amendments, and it has accounted for and disclosed in the financial statements all the relevant requirements of the new Standards and amendments of existing standards, that were applicable to the Company.

2 Basis of preparation and adoption of new and amended IFRS Accounting Standards (continued)**Standards, amendments and interpretations to existing IFRS Accounting Standards that have been issued but not yet effective**

At the time of authorization of these financial statements, the following IFRS Accounting Standards, amendments to Standards, and interpretations have been issued but not yet effective. The Company will adopt these standards, amendments and interpretations in future reporting years, as indicated below:

Standards/ amendments to standards	Effective for the annual periods beginning on or after
Amendments to IAS 21 for: Lack of Exchangeability and consequential amendments of other related standards	01 January 2025
Amendments to IFRS 9 and IFRS 7 for: Classification and Measurement of Financial Instruments	01 January 2026
IFRS 18: Presentation and Disclosures in Financial Statements (new standards) and consequential amendments of other related standards	01 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures (new standard)	01 January 2027

Management believes that adoption of the above new Standards and amendments, which are in issue but not yet effective, is not likely to have any material impact on the presentation and disclosure of items in the financial statements of the Company for the future periods. For the new standard IFRS 18, applicable to annual reporting periods beginning on or after 1 January 2027, the Company is currently performing an impact assessment.

3 Material accounting policy information

Material accounting policy information related to the preparation of the financial statements is set out below. The accounting policies included in the information, have been consistently applied by the Company to all the years presented, unless otherwise stated.

a. Revenue from contracts with customers

The Company mainly generates revenue from customer support services. Revenue is measured based on consideration specified in a contract with a customer and excludes discounts and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by providing services to a customer.

Revenue is recognized when control of the promised services is transferred in an amount that reflects the consideration that the Company is expected to be entitled to in exchange for services rendered. The arrangements with customers are either on a fixed price or on time and material basis.

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

3 Material accounting policy information (continued)

a. Revenue from contracts with customers (continued)

Contracts with customer

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Type of contracts

Revenues under time-and-material, transaction and outcome-based contracts are recognized as the services are performed. The Company has applied the as-invoiced practical expedient to recognize revenues for services the Company renders to customers on time and material basis contracts.

The Company recognized revenue at a point in time in case of fixed price contracts, when control is transferred to customer. For these contracts, the Company measures the progress and recognizes revenue using effort-based input methods, as the Company performs, based on actual efforts spent compared to the total expected efforts for the contract. The use of the effort based input method requires significant judgment relative to estimating total efforts, including assumptions relative to the length of time to complete the project and the nature and complexity of the work to be performed. Estimates of total efforts are continuously monitored during the term of the contract and are subject to revision as the contract progresses. When revisions in estimated contract revenue and efforts are determined, such adjustments are recorded in the period in which they are first identified.

Contract modifications

Contracts are often modified to account for changes in contract specification and requirements. The Company considers a contract modification when the modification either creates new or changes the existing enforceable rights and obligations. The accounting for modifications involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Other considerations

Any tax assessed by a governmental authority that is incurred as a result of a revenue transaction (e.g. sales tax) is excluded from the Company's assessment of transaction prices.

'Contract assets' (unbilled revenue) represent cost and earnings in excess of billings as at the end of the reporting period. 'Contract liabilities' represent amounts received in excess of billing / billing made in excess of revenue recognized.

The incremental cost of obtaining a contract and contract fulfilment costs are recognised as an asset if the Company expects to recover them. The Company amortises such costs over the respective contract period over which the Company transfers controls of the services to the customer. This charge is included in cost of sales.

3 Material accounting policy information (continued)

b. Employee benefits

i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

ii) End of service benefits

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. In respect of Omani employees, contributions are made in accordance with Oman Social Insurance Law and recognised as an expense in the statement of comprehensive income as incurred.

For non-Omani employees, provision is made for amounts payable under the Oman Labour Law, based on the employees' accumulated periods of service at the end of the reporting period. This provision is classified as a non-current liability.

iii) Compensated absence

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is measured based on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the end of the reporting date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

iv) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

v) Other entitlements

Employee entitlements to annual leave and air passage are recognised when they accrue to the employees and an accrual is made for the estimated liability for annual leave and air passage as a result of services up to the reporting date. The accruals relating to annual leave and air passage are presented in current liabilities.

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

3 Material accounting policy information (continued)

c. Furniture and equipment

i) Recognition and measurement

Items of furniture and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

If significant parts of an item of furniture and equipment have different useful lives, then they are accounted for as separate items (major components) of furniture and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Any gain or loss on disposal of an item of furniture and equipment is recognised in profit or loss.

ii) Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Depreciation

Depreciation is calculated to write off the cost of items of furniture and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives of furniture and equipment for current and comparative periods are as follows:

	Years
Furniture and fixtures	3 years
Office equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3 Material accounting policy information (continued)

d. Financial instruments

To determine the classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IFRS 9 measurement categories of financial assets are:

- Financial assets carried at amortised cost;
- Financial assets carried at fair value through other comprehensive income (FVOCI); and
- Financial assets carried at fair value through profit or loss (FVTPL)

i) Recognition and measurement

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

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Trade receivables are measured at the transaction price determined under IFRS 15.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company does not trade in any financial instruments and does not classify or measure any financial instruments as at fair value through profit or loss. Consequently, all financial instruments are classified and subsequently measured at amortized cost.

ii) Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired.

iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

3 Material accounting policy information (continued)

e. Impairment of financial assets

The Company recognises loss allowance for expected credit loss (ECLs) on financial assets measured at amortised cost and contract assets. Credit losses are measured as the present value of all cash shortfalls.

ECLs are recognised in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. For all other financial assets, ECL is measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly.

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

3 Material accounting policy information (continued)

e. Impairment of financial assets (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company 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 asset have occurred.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

f. Impairment of non-financial assets

At the end of each reporting period, management assesses if there is any indication of impairment of non-financial assets. If an indication exists, management estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of comprehensive income to the extent carrying value exceeds the estimated recoverable amount. Management also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognised immediately in the statement of comprehensive income.

g. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

3 Material accounting policy information (continued)

h. Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract based on the requirements of IFRS 16.

After the assessment, if it is established that the contract does not qualify as a lease within the definition provided in IFRS 16 or the lease is excluded from the scope of the Standard or the impact of applying the Standard are not material, the Company does not account the impact.

On the other hand, if the impact to the financial statements is established to be material, the Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones).

i. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances net of bank overdraft, if any.

j. Payables and accruals

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

k. Foreign currency transactions and balances

Transactions in foreign currencies are recorded in Rial Omani at the rates of exchange prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Rial Omani at exchange rates prevailing at the end of the reporting period. Translation gain or loss arising from foreign currency transactions are dealt with in the statement of comprehensive income.

l. Income tax

Income tax on the results for the year comprises current tax and deferred tax. Income tax is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period date, and any adjustment to tax payable in respect of prior years.

Deferred tax is calculated by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

4 Estimates and judgments

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income and expenses, assets, liabilities and related disclosures. The use of available information and application of judgment based on historical experience and other factors are inherent in the formation of estimates. Actual results in future could differ from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected. In particular estimates that involves uncertainties and judgments which have significant effect on the financial statements include allowance for impairment of financial assets, taxation and useful lives and residual values of furniture and equipment.

5 Furniture and equipment

	Furniture and fixtures	Office equipment	Total
	RO	RO	RO
Cost			
At 1 April 2023	12,730	4,149	16,879
Additions	-	561	561
At 31 March 2024	<u>12,730</u>	<u>4,710</u>	<u>17,440</u>
At 1 April 2024 and At 31 March 2025	<u>12,730</u>	<u>4,710</u>	<u>17,440</u>
Accumulated depreciation			
At 1 April 2023	12,730	4,149	16,879
Charge for the year	-	15	15
At 31 March 2024	<u>12,730</u>	<u>4,164</u>	<u>16,894</u>
At 1 April 2024	12,730	4,164	16,894
Charge for the year	-	218	218
At 31 March 2025	<u>12,730</u>	<u>4,382</u>	<u>17,112</u>
Net book value			
At 31 March 2025	<u>-</u>	<u>328</u>	<u>328</u>
At 31 March 2024	<u>-</u>	<u>546</u>	<u>546</u>

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

6 Leases

a) Right-of-use assets	<u>2025</u>	<u>2024</u>
	<u>RO</u>	<u>RO</u>
At the beginning of the year	15,500	12,670
Lease adjustment	-	11,687
Less: depreciation for the year	(8,892)	(8,857)
At 31 March	<u>6,608</u>	<u>15,500</u>
b) Lease liabilities	<u>2025</u>	<u>2024</u>
	<u>RO</u>	<u>RO</u>
At the beginning of the year	16,073	16,720
Lease adjustment	-	7,813
Add: interest expense	585	1,140
Less: lease payments	(9,600)	(9,600)
At 31 March	<u>7,058</u>	<u>16,073</u>
Lease liabilities	7,058	16,073
Less: current portion	(7,058)	(8,979)
Non-current liabilities	<u>-</u>	<u>7,094</u>
Maturity analysis of contractually undiscounted cash flows:		
	<u>2025</u>	<u>2024</u>
	<u>RO</u>	<u>RO</u>
Within 1 year	7,200	9,600
Due between 1 and 2 years	-	7,200
	<u>7,200</u>	<u>16,800</u>

7 Income tax

a) The Company is liable to income tax at the rate of 15% on the taxable profit (2024: tax at the rate of 15%).

	<u>2025</u>	<u>2024</u>
	<u>RO</u>	<u>RO</u>
The tax charge for the year represents:		
Current year tax	-	15,570
Prior period tax	4,034	12,298
Advance tax written off	3,842	-
Deferred tax	-	(6,237)
	<u>7,876</u>	<u>21,631</u>

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

7 Income tax (continued)

b) Income tax payable/ (refundable)

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Opening balance	11,536	(14,394)
Income tax for the year	-	15,570
Prior period tax	4,034	12,298
Payment during the year	(15,570)	(1,938)
	----- -	----- 11,536

c) The Company's income tax assessment have been completed by the Tax Authority up to the tax year 2021. The Directors are of the opinion that the amount of additional taxes, if any, that may become payable on finalisation of the pending tax assessments would not be significant to the Company's financial position at 31 March 2025.

d) Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2024: 15%).

Deferred tax assets and deferred tax income in the financial statements are on account of the following:

	1 April <u>2024</u> <u>RO</u>	Recognized in statement of comprehensive income <u>RO</u>	31 March <u>2025</u> <u>RO</u>
Furniture and equipment	(134)	6	(128)
Allowance for expected credit loss	(10,912)	10,912	-
Lease liabilities, net of right-of-use assets	(86)	68	(18)
Available tax losses	-	(10,986)	(10,986)
Net deferred tax assets	----- (11,132)	----- -	----- (11,132)

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

8 Accounts receivable

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Gross accounts receivable	180,667	141,832
Less: provision for expected credit losses	-	(52,751)
	<u>180,667</u>	<u>89,081</u>

a) Accounts receivable are non-interest bearing and are generally on 30 to 90 days credit terms. They are recognised at the original amounts which represents their fair values on initial recognition.

The maximum exposure to credit risk at the reporting date is the fair value of the receivables mentioned above. The Company does not hold any collateral as security.

b) The age analysis and the lifetime loss allowance of these receivables is:

31 March 2025	Upto 90 Days	91 to 180 days	181 to 365 days	More than 365 days	Total
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Gross carrying amount	180,667	-	-	-	180,667
Loss allowance	-	-	-	-	-
31 March 2024	Upto 90 Days	91 to 180 days	181 to 365 days	More than 365 days	Total
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Gross carrying amount	76,608	20,714	22,881	21,629	141,832
Loss allowance	(8,072)	(6,553)	(16,497)	(21,629)	(52,751)

c) The movement in allowance for expected credit loss on accounts receivable is:

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
At the beginning of the year	52,751	12,985
Credit loss recognised during the year	2,615	39,766
Credit loss reversed during the year	(52,751)	-
Bad debts written off	(2,615)	-
	<u>-</u>	<u>52,751</u>
At 31 March	-	52,751

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

9 Contract assets

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Gross amount	47,588	98,382
Less: provision for expected credit losses	-	(10,196)
	<u>47,588</u>	<u>88,186</u>

a) The Company receives payments from customers based on a billing schedule, as established in the contracts. Contract assets relate to the Company's conditional right to consideration for completed performance under the contract. These are recognized as accounts receivable when the right to consideration becomes unconditional.

b) The movement in allowance for expected credit loss on contract assets is:

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
At the beginning of the year	10,196	8,444
Credit loss recognised during the year	-	1,752
Credit loss reversed during the year	(10,196)	-
At 31 March	<u>-</u>	<u>10,196</u>

10 Related party transactions and balances

The Company enters into transactions with members, key management personnel and entities over which members are able to exercise significant influence. Transactions with related parties represent transactions in the normal course of business. These transactions are entered into at such prices and on such terms which management considers to be comparable with those that could be obtained from third parties.

a) Balances with related parties:

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
i) Amount due from related parties	179,000	763,827
ii) Amount due to related parties	-	11,863

b) Significant related party transaction during the year are:

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Payment/(receipts)	-	47,634
Expenses	-	1,610
Loan to related party - net	179,000	-

Amounts due from and to related parties are unsecured, non-interest bearing and have no fixed repayment terms.

Amount due from related party represents loan given to a related party. The loan is non-interest bearing and is repayable on demand.

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

11 Other receivables and prepayments

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Prepayments and deposits	30,394	36,689
Staff advance	-	1,600
Other receivables	148	5,698
	<u>30,542</u>	<u>43,987</u>

12 Cash and bank balances

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Cash in hand	-	1,648
Cash at bank	12,226	381,385
	<u>12,226</u>	<u>383,033</u>

13 Share capital

The share capital registered with the Ministry of Commerce, Industry and Investment Promotion is RO 250,000 (2024: RO 250,000), comprising of 250,000 shares of RO 1 each (2024: 250,000 shares of RO 1 each).

A break-down of the shareholding pattern as at 31 March 2025 and 2024 is as follows:

	Percentage of shareholding		No. of shares	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Happiest Minds Technologies Limited	99%	-	247,500	-
Nihar Ranjan Rout	1%	-	2,500	-
GAVS Technologies Limited, BVI	-	99%	-	247,500
Deepak Doegar	-	1%	-	2,500
	<u>100%</u>	<u>100%</u>	<u>250,000</u>	<u>250,000</u>

Legal formalities for transfer of shares in the name of new shareholders are completed subsequent to the reporting date.

14 Legal reserve

In accordance with the provisions of the Commercial Companies Law of the Sultanate of Oman, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the share capital is set aside. The Company has discontinued such appropriation as the legal reserve has already reached one-third of the share capital.

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

15 Employees' end of service benefits

	<u>2025</u>	<u>2024</u>
	<u>RO</u>	<u>RO</u>
At the beginning of the year	68,696	99,815
Charge for the year	25,101	10,506
Current portion transfer to other payables	(9,108)	(2,764)
Reversed during the year	-	(6,002)
Payments during the year	(18,117)	(32,859)
At 31 March	<u>66,572</u>	<u>68,696</u>

16 Accounts payable and accruals

	<u>2025</u>	<u>2024</u>
	<u>RO</u>	<u>RO</u>
Trade payables	822	3,119
Accrued expenses	59,133	34,933
Other employee benefits payable	28,328	37,356
Other payables	4,068	22,994
	<u>92,351</u>	<u>98,402</u>

Trade payables are generally settled within 30 to 90 days of the suppliers' invoice date.

The contractual maturity date for trade and other payables is due within 12 months from the end of the reporting period.

17 Revenue

The Company derives revenue from human resource support services at point over time in the Sultanate of Oman.

	<u>2025</u>	<u>2024</u>
	<u>RO</u>	<u>RO</u>
Local sales	635,190	827,806

18 Cost of revenue

	<u>2025</u>	<u>2024</u>
	<u>RO</u>	<u>RO</u>
Employee cost	326,203	484,057
Travelling expenses	5,988	10,869
Consulting charges	66,663	79,356
Software charges	21,834	24,097
Other direct costs	5,107	4,790
	<u>425,795</u>	<u>603,169</u>

GAVS TECHNOLOGIES LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

19 Other income

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Reversal of employees' end of service benefits	-	6,002
Reversal of provision	-	49,645
Reversal of allowance for expected credit loss	62,947	-
	<u>62,947</u>	<u>55,647</u>

20 Salaries and other related staff costs

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Staff salaries, allowances and emoluments	132,913	125,041
Staff travelling	490	621
Staff welfare	480	130
	<u>133,883</u>	<u>125,792</u>

21 General and administrative expenses

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Consulting offshore	74,549	24,353
Legal and professional charges	48,933	6,457
Telephone and postage	2,555	1,406
Bad debts written off	2,615	-
Foreign exchange loss	420	81
Other sundry expenses	2,287	8,244
	<u>131,359</u>	<u>40,541</u>

22 Finance charges

	<u>2025</u> <u>RO</u>	<u>2024</u> <u>RO</u>
Bank charges	686	564
Interest on lease liabilities	585	1,140
	<u>1,271</u>	<u>1,704</u>

23 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value.

24 Financial instruments and related risk management

The Company's financial assets include accounts and other receivables, amount due from related parties, bank balances and cash. Financial liabilities include lease liabilities, amount due to related parties, accounts and other payables. The fair value of the Company's financial assets and financial liabilities approximate to their carrying values.

24 Financial instruments and related risk management (continued)

The Company's activities expose it to various financial risks, primarily being, market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's risk management is carried out internally in accordance with the policies approved by the Directors.

a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

(i) Foreign currency risk

The majority of the Company's financial assets and financial liabilities are either denominated in Rial Omani or currency fixed against Rial Omani. Hence, management believes that there would not be a material impact on the profitability, if these foreign currencies weakens or strengthens against the Rial Omani, with all other variables held constant.

(ii) Interest rate risk

The Company is not exposed to any interest rate risk on its financial instruments.

b) Credit risk

Credit risk arises from bank balances, as well as credit exposures to outstanding receivables.

Credit risk on financial assets

The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Bank balances are placed with banks having strong credit ratings.

c) Liquidity risk

Management monitors liquidity requirements on a regular basis to ensure that sufficient funds are available to meet any future commitments.

Based on the contractual maturity date, the financial liabilities are payable within a period of twelve months from the end of the reporting period.