

PERMITEC LLC
FINANCIAL STATEMENTS
As of March 31, 2022 and 2023

Permitec, LLC

Financial Statements

As of March 31, 2022 and 2023

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INDEPENDENT ACCOUNTANT REVIEW REPORT

August 09, 2023

The Board of Directors

Permitec, LLC

12808 South Memorial Dr. #107

Bixby, OK 74008

We have reviewed the accompanying balance sheet of Permitec, LLC (the company) as of March 31, 2022 and 2023, and the related statement of income, statement of changes in owners' equity and statement of cash flows for the period then ended, and the related notes to the financial statements.

A review includes primary applying analytical procedures to management's financial data and making inquiries of the company's management. A review is less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

ACCOUNTANT RESPONSIBILITY

Our responsibility is to conduct the review in accordance with the Statement on Standards of Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of material modifications that should be made in the financial statements for them to be in accordance with the accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the accounting principles generally accepted in the United States of America.

Amjad Abu Khamis
Aug 9, 2023

Certified Public Accountant, NH 08224

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Permitec, LLC

Balance Sheet Statement (Unaudited)

As of March 31, 2022 and 2023

	March 31, 2022	March 31, 2023
ASSETS		
Cash at Bank	82,741	146,316
Inventory	49,004	68,933
Accounts Receivables	1,958	8,581
Other Receivables	7,641	7,641
Prepaid Expenses	-	8,422
TOTAL ASSETS	141,344	239,892
LIABILITIES AND EQUITY		
Accounts Payables	114,546	176,914
Payroll Payable	7,659	11,030
Other Payables – Related Parties	2,334	5,652
Total Current Liabilities	124,539	193,596
Loan	305,230	255,230
Total Current Liabilities	429,769	448,826
Net Equity	(288,426)	(208,935)
TOTAL LIABILITIES AND EQUITY	141,344	239,892

Permitec, LLC
Income Statement (Unaudited)
 As of March 31, 2022 and 2023

	March 31, 2022	March 31, 2023
Net Sales	1,225,150	2,312,508
Cost of Goods Sold	(961,025)	(1,743,927)
Gross Income	264,125	568,581
Operating Expenses		
Payroll Expenses	233,649	269,072
Professional Fees	1,049	2,118
Marketing Expenses	67,740	151,159
Commission Expense	9,156	13,479
Dues and Subscriptions	18,295	11,587
Website Expenses	22,150	54,460
Operating Lease	6,026	10,689
General and Administrative	60,846	56,832
Interest Paid	4,301	15,694
Total Operating Expenses	423,212	585,090
Non-Operating (Gains Losses)		
PPP Loan Forgiveness	7,175	-
Net Income (Loss)	(151,912)	(16,509)

Permitec, LLC

Statement of Changes in Equity (Unaudited)

As of March 31, 2022 and 2023

	Net Contribution	Retained Earnings (Deficit)	Total
Balance – March 31, 2021	156,686	(250,416)	(93,730)
Contributions as of March 31, 2022	(42,783)	-	(136,513)
Net Income (Loss) - March 31, 2022	-	(151,912)	(288,426)
Balance - March 31, 2022	113,903	(402,328)	(288,426)
Contributions as of March 31, 2023	96,000	-	(192,426)
Net Income (Loss) - March 31, 2023	-	(16,509)	(208,935)
Balance - March 31, 2023	209,903	(418,837)	(208,935)

Permitec, LLC

Statement of Cash Flow (Unaudited)

As of March 31, 2022 and 2023

	March 31, 2022	March 31, 2023
OPERATING ACTIVITIES		
Net Income (Loss)	(151,912)	(16,509)
<i>Adjustments to Reconcile Net Income to Net Cash provided by operations:</i>		
Change in Accounts Payables	58,199	69,057
Change in Accounts Receivables	(842)	(15,044)
Change in Inventory	(49,004)	(19,929)
Net cash (Used) by operating activities	(143,559)	17,575
Net Cash (Used) by Investing Activities	-	-
Cash Provided by Financing Activities		
Owners Contributions	(42,783)	96,000
Long Term Loan	209,597	(50,000)
SBA Loan Forgiveness	(7,175)	-
Net Cash Provided by Financing Activities	159,639	46,000
NET CASH INCREASE (DECREASE) FOR PERIOD	16,080	63,575
Cash at the beginning of the period	66,662	82,741
CASH AT END OF PERIOD	82,741	146,316

Permitec, LLC

Notes to the Financial Statements (Unaudited)

As of March 31, 2022 and 2023

1. DESCRIPTION OF THE BUSINESS

PERMITEC, LLC (The company) was established on October 2018, in Oklahoma. Permitec is a provider of Modern Privacy Fencing Solutions. We deliver our solutions to homeowners, fence installers, general contractors, and anyone in the building and construction industry that is looking for amazing, unique and high-quality fencing products. We scour the world to find the most amazing products available and deliver them to our customers with the greatest level of service possible.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

2.2. Use of Estimates

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management evaluates the estimates and assumptions based on historical experience and believes those estimates and assumptions are reasonable based on the information available to them.

2.3. Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, control has been transferred, the fee is fixed or determinable, and collectability is reasonably assured. In instances where final acceptance of the product is specified by the customer, revenue is deferred until all acceptance criteria have been met. The Company's primary source of revenue is the sales of its products.

Permitec, LLC

Notes to the Financial Statements (Unaudited) Continued

As of March 31, 2022 and 2023

2.4. Cash

The Company deposits its cash with financial institutions that the management believes are of high credit quality. The Company's cash consists primarily of cash deposited in U.S. dollar-denominated accounts.

3. EQUITY

As per the operating agreement of the company, the Company has the authority to issue an unlimited number of Class A and Class B Units. Class A Units have been issued by the Company in exchange for Class A Member’s Capital Contribution or obligation to provide services to the Company. Class A Units have been issued by the Company in exchange for Class A Member’s Capital Contribution to the Company.

4. INVENTORY AND COST OF GOODS SOLD

The inventory is valued as the cost, which is lower than the net realizable value, the inventory value includes the cost of the products and any additional cost to make the product ready for sales. The inventory and cost of goods sold calculation is illustrated below:

	March 31, 2022	March 31, 2023
Inventory Beginning Balance	-	49,004
Purchases	1,010,029	1,763,856
Year-End Inventory	(49,004)	(68,933)
Cost of Goods Sold	961,025	1,743,927

5. Loan Payable

The company has been granted a credit line from the bank for an amount of 100,000 with 7% interest rate in July 2019, and the limit was increased to 300,000 in January 2022.

6. Accounts Payables

The balance of the accounts payable is mainly due to the procurement of the inventory. The balance of the Accounts Payables shall be settled during the 2023 fiscal year.