

MOREPEN, INC.
FINANCIAL STATEMENT
FOR THE YEAR ENDED
MARCH 31, 2018

MOREPEN, INC.

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Board Of Directors
Morepen, Inc.
Plainsboro, NJ

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements:

We have audited the accompanying Balance Sheets of Morepen Inc. as of March 31, 2018 and 2017 and the related statements of Income and Retained Earnings and statement of Cash Flows for the years then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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 referred to above present fairly, in all material respects, the financial position of Morepen Inc. as of March 31, 2018 and 2017 and the results of its operations and cash flows for years then ended in conformity with accounting principles generally accepted in the United States of America.

R. Venkataraman

Ravi Venkataraman, CPA

April 30, 2018

Princeton, NJ 08540

**MOREPEN, INC.
BALANCE SHEET
MARCH 31**

<u>ASSETS</u>	2018	2017
<u>Current Assets:</u>		
Cash	\$4,832	\$7,713
Accounts Receivable- Trade	239,331	201,725
Employee Loans	-	-
Security Deposits Rent	700	700
Total Current Assets	244,863	\$210,138
<u>Property and Equipments:</u>		
Computers	6,144	6,144
Less: Accumulated Depreciation	(6,144)	(6,144)
Net Fixed Assets	-	-
TOTAL ASSETS	244,863	210,138
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Current Liabilities:</u>		
Accounts Payable	18,878	32,378
Other current Liabilities	66,024	66,224
Total Current Liabilities	84,902	98,602
<u>Stockholders' Equity:</u>		
Capital Stock	57,128	57,128
Retained Earnings	102,832	54,407
Total Stockholders' Equity	159,960	111,535
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$244,863	\$210,138

See Independent Auditor's Report and Notes to the Financial Statements

MOREPEN INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED MARCH 31,

	2018	2017
Sales	\$134,606	\$101,089
Cost of Goods Sold	-	-
Gross Profit	134,606	\$101,089
Expenses		
Bank service charges		-
Product Development	336	216
Dues & Subscriptions	1,117	1,142
Repairs and Maintenance	325	362
Insurance		-
Office supplies and expense	1,021	1,226
Professional Fees	7,181	13,472
Rent	10,425	10,200
Travel & Entertainment	1,477	-
Payroll Expenses	72,000	108,000
Payroll Taxes	6,466	10,884
Utilities	1,230	1,171
Total Operating Expense	101,578	146,673
Income/(Loss) from operations	33,028	(45,584)
Other income	-	-
Provision for taxes	(53)	(63)
Net Income	32,975	(45,647)
Retained Earnings-Beginning	\$54,407	101,192
Prior year Adjustment	15,450	(1,138)
Retained Earnings-Ending	\$102,832	54,407

See Independent Auditor's Report and Notes to the Financial Statements

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MOREPEN, INC
STATEMENT OF CASH FLOW
FOR THE YEARS ENDED MARCH 31

<u>Cash Flow from Operating activities:</u>	<u>2018</u>	<u>2017</u>
Net Income/(Loss) for the period	\$32,975	(\$45,647)
Add: Depreciation	-	-
Prior period adjustment	15,450	(1,138)
Changes in assets and liabilities:		
Accounts Receivable	(37,606)	35,910
Employee Loans	-	527
Security Deposits Rent	-	-
Accounts Payable	(13,500)	3,861
Corporate taxes payable	-	-
Other current liabilities	(200)	-
Auto Loans Payable	-	-
Net increase(decrease) in cash from Operating activities:	<u>(2,881)</u>	<u>(\$6,487)</u>
 <u>Cash Flow from Financing Activities :</u>		
Common Stock	<u>-</u>	<u>-</u>
Net increase in cash from Financing activities	-	-
 Cash - Beginning	 \$7,713	 14,200
Cash - Ending	<u><u>\$4,832</u></u>	<u><u>\$7,713</u></u>
 Supplementary Information:		
Taxes paid	\$53	\$355
Interest paid	\$0	\$0

See Independent Auditor's Report and Notes to the Financial Statements



MOREPEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

Note 1 - Summary of Significant Accounting Policies:

A. General

Morepen Inc. (Company) was incorporated under the laws of New Jersey on September 30, 2005. Morepen is a wholly owned subsidiary of Morepen Laboratories Ltd.(MLL) with an initial capital contribution of \$ 50,000.00. The subsidiary is a trading outfit of MLL. The main business of the Company is to sell finished products of MLL and also do marketing for MLL's existing as well as new products. It also assists MLL in procurement of reference standards and other regulatory related activities with the end customers.

B. Basis of Presentation

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements. The financial statements are prepared on accrual basis. These financial statements are presented for the years ended March 31, 2018 and 2017.

C. Use of estimates in the preparation of financial statements:

The preparation of financial statements in conformity with 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 period. Actual results could differ from those estimates.

Note 2 - Significant business with certain clients:

Morepen Inc, has one customer who accounted for 100% of sales for the years ended March 31, 2018 and 2017. A loss of this customer could have a material impact on the financial condition of the company.

See Independent Auditor's Report

**MOREPEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017**

Note 3- Lease Commitments

The Company has entered into a lease agreement for the location at 666 Plainsboro Road Suite #215 Plainsboro, NJ 08536. The annual base rent is as follows:

April 2017 -June 2017 @ \$1,550 per month	\$ 4,650
July 2017- March 2018 @ \$ 1,600 per month	\$ 14,400

The office space is sub-let to a tenant for \$ 700 per month from April 2017-June 2017 and \$ 725 per month from July 2017-March 2018. The total rent collected from the tenant for the year ended March 31, 2018 was \$ 8,550

The net rental expense for the year ended March 31, 2018 was \$10,350- (Gross rent of \$ 18,900 less \$ 8,550 collected from the tenant).

See Independent Auditor's Report