

**MOREPEN, INC.**  
**FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED**  
**MARCH 31, 2019**

**MOREPEN, INC.**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1-2</b>
<b>BALANCE SHEET</b>	<b>3</b>
<b>STATEMENT OF INCOME AND RETAINED EARNINGS</b>	<b>4</b>
<b>STATEMENT OF CASH FLOW</b>	<b>5</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>6-7</b>

**RAVI VENKATARAMAN CPA, LLC**  
CERTIFIED PUBLIC ACCOUNTANT  
14 COURTSIDE LANE  
PRINCETON, NJ 08540

TEL: (609) 452-7770

FAX: (732) 823-1405

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, 2019 and 2018 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, 2019 and 2018 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 23, 2019  
Princeton, NJ 08540

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

<b><u>ASSETS</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b><u>Current Assets:</u></b>		
Cash	\$5,156	\$4,832
Accounts Receivable- Trade	265,740	239,331
Employee Loans	-	-
Security Deposits Rent	700	700
<b>Total Current Assets</b>	<b><u>271,596</u></b>	<b><u>244,863</u></b>
<b><u>Property and Equipments:</u></b>		
Computers	6,144	6,144
Less: Accumulated Depreciation	<u>(6,144)</u>	<u>(6,144)</u>
<b>Net Fixed Assets</b>	<b><u>-</u></b>	<b><u>-</u></b>
 <b>TOTAL ASSETS</b>	 <b><u><u>271,596</u></u></b>	 <b><u><u>244,863</u></u></b>
 <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
<b><u>Current Liabilities:</u></b>		
Accounts Payable	18,578	18,878
Other current Liabilities	74,334	66,024
<b>Total Current Liabilities</b>	<b><u>92,912</u></b>	<b><u>84,902</u></b>
 <b><u>Stockholders' Equity:</u></b>		
Capital Stock	57,128	57,128
Retained Earnings	<u>121,555</u>	<u>102,832</u>
<b>Total Stockholders' Equity</b>	<b><u>178,683</u></b>	<b><u>159,960</u></b>
 <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	 <b><u><u>\$271,596</u></u></b>	 <b><u><u>\$244,863</u></u></b>

*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,**

	<u>2019</u>	<u>2018</u>
<b>Sales</b>	\$153,409	\$134,606
<b>Cost of Goods Sold</b>	-	-
<b>Gross Profit</b>	<u>153,409</u>	<u>134,606</u>
<b>Expenses</b>		
Bank service charges	54	
Product Development	560	336
Dues & Subscriptions	959	1,117
Repairs and Maintenance	225	325
Insurance	818	
Office supplies and expense	2,552	1,021
Professional Fees	7,908	7,181
Rent	11,350	10,425
Travel & Entertainment	1,747	1,477
Payroll Expenses	90,000	72,000
Payroll Taxes	9,166	6,466
Utilities	1,037	1,230
<b>Total Operating Expense</b>	<u>126,376</u>	<u>101,578</u>
Income/(Loss) from operations	27,033	33,028
Provision for taxes	(8,110)	(53)
<b>Net Income</b>	<u>18,923</u>	<u>32,975</u>
Retained Earnings-Beginning	\$102,832	\$54,407
Prior year Adjustement	(200)	15,450
<b>Retained Earnings-Ending</b>	<u><u>\$121,555</u></u>	<u><u>\$102,832</u></u>

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

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

<b><u>Cash Flow from Operating activities:</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Net Income/(Loss) for the period	\$18,923	\$32,975
Add: Depreciation	-	-
Prior period adjustment	(200)	15,450
Changes in assets and liabilities:		
Accounts Receivable	(26,409)	(37,606)
Employee Loans	-	-
Security Deposits Rent	-	-
Accounts Payable	(300)	(13,500)
Corporate taxes payable	-	-
Other current liabilities	8,310	(200)
Auto Loans Payable	-	-
Net increase(decrease) in cash from Operating activities:	<u>324</u>	<u>(2,881)</u>

**Cash Flow from Financing Activities :**

Common Stock	<u>-</u>	<u>-</u>
Net increase in cash from Financing activities	-	-
Cash - Beginning	\$4,832	\$7,713
Cash - Ending	<u><u>\$5,156</u></u>	<u><u>\$4,832</u></u>
Supplementary Information:		
Taxes paid	\$8,110	\$53
Interest paid	\$0	\$0

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

**MOREPEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2019 AND 2018**

**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, 2019 and 2018.

**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, 2019 and 2018. A loss of this customer could have a material impact on the financial condition of the company.

**See Independent Auditor's Report**