

MOREPEN, INC.
FINANCIAL STATEMENT
FOR THE YEAR ENDED
MARCH 31, 2021

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, 2021 and 2020 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, 2021 and 2020 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.


Ravi Venkataraman, CPA
April 29, 2021
Princeton, NJ 08540

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

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
<u>Current Assets:</u>		
Cash	\$37,603	\$19,118
Accounts Receivable- Trade	390,267	322,895
Employee Loans	-	-
Security Deposits Rent	700	700
Total Current Assets	<u>428,570</u>	<u>\$342,713</u>
<u>Property and Equipments:</u>		
Computers	6,144	6,144
Less: Accumulated Depreciation	<u>(6,144)</u>	<u>(6,144)</u>
Net Fixed Assets	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>428,570</u></u>	<u><u>342,713</u></u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Current Liabilities:</u>		
Accounts Payable	6,500	7,520
Other current Liabilities	<u>87,732</u>	<u>73,757</u>
Total Current Liabilities	<u>94,232</u>	<u>81,277</u>
<u>Stockholders' Equity:</u>		
Capital Stock	57,128	57,128
Retained Earnings	<u>277,209</u>	<u>204,307</u>
Total Stockholders' Equity	<u>334,337</u>	<u>261,435</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$428,570</u></u>	<u><u>\$342,713</u></u>

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,

	2021	2020
Sales	\$247,371	\$177,155
Cost of Goods Sold	-	-
Gross Profit	247,371	177,155
Expenses		
Bank service charges	36	80
Product Development	4,533	1,648
Dues & Subscriptions	727	1,170
Repairs and Maintenance	125	275
Insurance	796	782
Office supplies and expense	233	339
Professional Fees	7,773	7,970
Rent	1,987	9,500
Travel & Entertainment	83,116	8,085
Payroll Expenses	60,000	68,000
Payroll Taxes	6,300	6,736
Utilities	637	1,068
Total Operating Expense	166,263	105,653
Income/(Loss) from operations	81,108	71,502
Other Income	-	5,076
Provision for taxes	(8,206)	(1,635)
Net Income	72,902	74,943
Retained Earnings-Beginning	\$204,307	\$121,555
Prior year Adjustment	-	7,809
Retained Earnings-Ending	\$277,209	204,307

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



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

<u>Cash Flow from Operating activities:</u>	<u>2021</u>	<u>2020</u>
Net Income/(Loss) for the period	\$72,902	74,943
Add: Depreciation	-	-
Prior period adjustment	-	7,809
Changes in assets and liabilities:		
Accounts Receivable	(67,372)	(57,155)
Employee Loans	-	-
Security Deposits Rent	-	-
Accounts Payable	(1,020)	(11,058)
Corporate taxes payable	-	-
Other current liabilities	13,975	(577)
Auto Loans Payable		
Net increase(decrease) in cash from Operating activities:	<u>18,485</u>	<u>13,962</u>
 <u>Cash Flow from Financing Activities :</u>		
Common Stock	<u>-</u>	<u>-</u>
Net increase in cash from Financing activities	-	-
 Cash - Beginning	 \$19,118	 \$5,156
Cash - Ending	<u><u>\$37,603</u></u>	<u><u>19,118</u></u>
 Supplementary Information:		
Taxes paid	\$8,206	\$1,635
Interest paid	\$0	\$0

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



MOREPEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

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, 2021 and 2020.

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, 2021 and 2020. A loss of this customer could have a material impact on the financial condition of the company.

See Independent Auditor's Report

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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 2020 -March 2021 @ \$1,650 per month (for 7 months only)	\$ 11,550
April 2021 – June 2022 @ \$ 1,650 per month	\$ 44,550

The office space is sub-let to a tenant for \$ 800 per month from April 2020-March 2021. The total rent collected from the tenant for the year ended March 31, 2021 was \$ 9,563.

The net rental expense for the year ended March 31, 2021 was \$1,987- (Gross rent of \$ 11,550 less \$ 9,563 collected from the tenant).

See Independent Auditor's Report