

MOREPEN, INC.
FINANCIAL STATEMENT
FOR THE YEAR ENDED
MARCH 31, 2022



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, 2022 and 2021 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, 2022 and 2021 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 25, 2022

Princeton, NJ 08540

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

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
<u>Current Assets:</u>		
Cash	\$13,045	\$37,603
Accounts Receivable- Trade	385,798	390,267
Customer Advance	25,000	-
Security Depositi Rent	700	700
Total Current Assets	424,543	428,570
<u>Property and Equipments:</u>		
Computers	6,144	6,144
Less: Accumulated Depreciation	(6,144)	(6,144)
Net Fixed Assets	-	-
TOTAL ASSETS	424,543	428,570
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Current Liabilities:</u>		
Accounts Payable	13,650	6,500
Other current Liabilities	-	87,732
Total Current Liabilities	13,650	94,232
<u>Stockholders' Equity:</u>		
Capital Stock	57,128	57,128
Retained Earnings	353,764	277,209
Total Stockholders' Equity	410,892	334,337
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$424,543	\$428,570

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,

	2022	2021
Sales	\$270,205	\$247,371
Cost of Goods Sold	-	-
Gross Profit	270,205	247,371
Expenses		
Bank service charges	36	36
Product Development	4,550	4,533
Dues & Subscriptions	912	727
Repairs and Maintenance	100	125
Insurance	795	796
Office supplies and expense	237	233
Professional Fees	108,142	7,773
Rent	6,900	1,987
Travel & Entertainment	26,212	83,116
Payroll Expenses	60,000	60,000
Payroll Taxes	6,461	6,300
Utilities	1,668	637
Total Operating Expense	216,013	166,263
Income/(Loss) from operations	54,192	81,108
Other Income		-
Provision for taxes	(16,616)	(8,206)
Net Income	37,576	72,902
Retained Earnings-Beginning	\$277,209	\$204,307
Prior year Adjustement	38,979	-
Retained Earnings-Ending	\$353,764	\$277,209

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>2022</u>	<u>2021</u>
Net Income/(Loss) for the period	\$37,576	72,902
Add: Depreciation	-	-
Prior period adjustment	38,979	-
Changes in assets and liabilities:		
Accounts Receivable	4,469	(67,372)
Customer Advance	(25,000)	-
Security Deposits Rent	-	-
Accounts Payable	7,150	(1,020)
Corporate taxes payable	-	-
Other current liabilities	(87,732)	13,975
Auto Loans Payable		
Net increase(decrease) in cash from Operating activities:	<u>(\$24,558)</u>	<u>18,485</u>

Cash Flow from Financing Activities :

Common Stock	-	-
Net increase in cash from Financing activities	<u>-</u>	<u>-</u>
Cash - Beginning	37,603	19,118
Cash - Ending	<u><u>\$13,045</u></u>	<u><u>37,603</u></u>
Supplementary Information:		
Taxes paid	\$16,616	\$8,206
Interest paid	\$0	\$0

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

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MOREPEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

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, 2022 and 2021.

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, 2022 and 2021. 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, 2022 AND 2021

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 2022 – June 2022 @ \$ 1,650 per month \$ 4,950.

The office space is sub-let to a tenant for \$ 800 per month from April 2021-March 2022. The total rent collected from the tenant for the year ended March 31, 2022 was \$ 9,600.

The net rental expense for the year ended March 31, 2022 was \$6,900- (Gross rent of \$ 16,500 less \$ 9,600 collected from the tenant).

See Independent Auditor's Report