

MOREPEN, INC.
FINANCIAL STATEMENT
FOR THE YEAR ENDED
MARCH 31, 2020

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MOREPEN, INC.

TABLE OF CONTENTS

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



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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, 2020 and 2019 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, 2020 and 2019 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

June 15, 2020

Princeton, NJ 08540

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

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<u>Current Assets:</u>		
Cash	\$19,118	\$5,156
Accounts Receivable- Trade	322,895	265,740
Employee Loans	-	-
Security Deposits Rent	700	700
Total Current Assets	342,713	\$271,596
 <u>Property and Equipments:</u>		
Computers	6,144	6,144
Less: Accumulated Depreciation	(6,144)	(6,144)
Net Fixed Assets	-	-
 TOTAL ASSETS	 342,713	 271,596
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Current Liabilities:</u>		
Accounts Payable	7,520	18,578
Other current Liabilities	73,757	74,334
Total Current Liabilities	81,277	92,912
 <u>Stockholders' Equity:</u>		
Capital Stock	57,128	57,128
Retained Earnings	204,307	121,555
Total Stockholders' Equity	261,435	178,683
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 \$342,713	 \$271,596

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,

	2020	2019
Sales	\$177,155	\$153,409
Cost of Goods Sold	-	-
Gross Profit	177,155	153,409
Expenses		
Bank service charges	80	54
Product Development	1,648	560
Dues & Subscriptions	1,170	959
Repairs and Maintenance	275	225
Insurance	782	818
Office supplies and expense	339	2,552
Professional Fees	7,970	7,908
Rent	9,500	11,350
Travel & Entertainment	8,085	1,747
Payroll Expenses	68,000	90,000
Payroll Taxes	6,736	9,166
Utilities	1,068	1,037
Total Operating Expense	105,653	126,376
Income/(Loss) from operations	71,502	27,033
Other Income	5,076	-
Provision for taxes	(1,635)	(8,110)
Net Income	74,943	18,923
Retained Earnings-Beginning	\$121,555	\$102,832
Prior year Adjustement	7,809	(200)
Retained Earnings-Ending	\$204,307	121,555

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>2020</u>	<u>2019</u>
Net Income/(Loss) for the period	\$74,943	18,923
Add: Depreciation	-	-
Prior period adjustment	7,809	(200)
Changes in assets and liabilities:		
Accounts Receivable	(57,155)	(26,409)
Employee Loans	-	-
Security Deposits Rent	-	-
Accounts Payable	(11,058)	(300)
Corporate taxes payable	-	-
Other current liabilities	(577)	8,310
Auto Loans Payable		
Net increase(decrease) in cash from Operating activities:	<u>13,962</u>	<u>324</u>
 <u>Cash Flow from Financing Activities :</u>		
Common Stock	<u>-</u>	<u>-</u>
Net increase in cash from Financing activities	-	-
 Cash - Beginning	 \$5,156	 \$4,832
Cash - Ending	<u><u>\$19,118</u></u>	<u><u>5,156</u></u>
 Supplementary Information:		
Taxes paid	\$1,635	\$8,110
Interest paid	\$0	\$0

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

MOREPEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019

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, 2020 and 2019.

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, 2020 and 2019. 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, 2020 AND 2019**

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 2019 -March 2020 @ \$1,650 per month	\$ 19,800
April 2020 – June 2022 @ \$ 1,650 per month	\$ 44,550

The office space is sub-let to a tenant for \$ 858 per month from April 2019-March 2020. The total rent collected from the tenant for the year ended March 31, 2020 was \$ 10,300

The net rental expense for the year ended March 31, 2020 was \$9,500- (Gross rent of \$ 19,800 less \$ 10,300 collected from the tenant).

See Independent Auditor's Report

