

ABC COMPANY, INC.

**FINANCIAL STATEMENTS FOR THE YEARS
ENDED DECEMBER 31, 2024 AND 2023**

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BALANCE SHEETS**

	As At	
	December 31, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 195,858	\$ 162,700
Accounts receivable	16,099	17,000
Inventories	5,400	5,400
Prepaid and other assets	8,000	6,000
Other current assets	109,600	57,600
Total current assets	334,957	248,700
NONCURRENT ASSETS		
Property, plant and equipment, net	66,600	64,000
Intangible assets, net	3,599	-
Total noncurrent assets	70,199	64,000
TOTAL ASSETS	\$ 405,156	\$ 312,700
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 11,000	\$ -
Accrued liabilities	7,100	7,100
Other current liabilities	41,270	30,400
Total current liabilities	59,370	37,500
NONCURRENT LIABILITIES		
Other long-term liabilities	52,000	53,000
Total noncurrent liabilities	52,000	53,000
MEMBERS' EQUITY		
Common stock	120,000	107,000
Retained earnings	173,786	115,200
Total members' equity	293,786	222,200
Total liabilities and members' equity	\$ 405,156	\$ 312,700

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INCOME STATEMENTS**

	Years Ended					
	December 31, 2024		December 31, 2023			
REVENUE						
Revenue from services	\$	111,956	100 %	\$	93,000	100 %
Total revenue		111,956	100 %		93,000	100 %
COST OF GOODS SOLD						
Labour		1,084	1 %		1,600	2 %
Total cost of goods sold		1,084	1 %		1,600	2 %
GROSS PROFIT		110,872	99 %		91,400	98 %
OPERATING EXPENDITURE						
Payroll		3,000	3 %		82,000	88 %
Selling, general and administrative expenses		36,568	33 %		8,300	9 %
Travel		5,604	5 %		-	-
Advertising		4,412	4 %		2,200	2 %
Amortization		1,401	1 %		-	-
Total operating expenditure		50,985	46 %		92,500	99 %
Operating income		59,887	53 %		(1,100)	(1) %
Interest (expense)		(101)	- %		-	-
Income before Income taxes		59,786	53 %		(1,100)	(1) %
Provision for income taxes		(1,200)	(1) %		(1,100)	(1) %
Net income (loss)	\$	58,586	52 %	\$	(2,200)	(2) %

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ABC COMPANY, INC.
MEMBERS' EQUITY STATEMENTS

	Years Ended	
	December 31, 2024	December 31, 2023
Common stock	\$ 120,000	\$ 107,000
Retained Earnings		
Beginning Balance	115,200	117,400
Net income (loss)	58,586	(2,200)
Ending Balance	\$ 173,786	\$ 115,200

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ABC COMPANY, INC.
CASH FLOW STATEMENT (INDIRECT METHOD)

	Years Ended	
	December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 58,586	\$ (2,200)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	1,950	2,400
Amortization	1,401	-
Employee stock options issued	3,000	82,000
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(51,099)	(39,000)
(Increase) decrease in Inventory	-	(1,800)
(Increase) decrease in other current assets	(2,000)	(3,200)
(Increase) decrease in other noncurrent assets	200	800
Increase (decrease) in accrued liabilities	-	29,800
Increase (decrease) in current liabilities	21,870	-
Increase (decrease) in other current liabilities	-	1,100
Net cash provided by operating activities	33,908	69,900
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(7,250)	(24,000)
Sale of property and equipment	2,500	-
Purchase of intangible assets	(5,000)	-
Net cash (used in) investing activities	(9,750)	(24,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Common stock issued	10,000	-
Debt raised	2,000	26,000
Debt repaid	(3,000)	(9,000)
Net cash provided by financing activities	9,000	17,000
Net increase in cash and cash equivalents	33,158	62,900
Cash and cash equivalents at beginning of the period	162,700	99,800
Cash and cash equivalents at end of the period	\$ 195,858	\$ 162,700
Noncash activity		
Employee stock options issued	3,000	82,000

	Years Ended	
	December 31, 2024	December 31, 2023
Supplementary information		
Cash paid for interest	101	-
Cash paid for taxes	1,200	1,100

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YEARS ENDED DECEMBER 31, 2024 AND 2023****1 Significant Accounting Policies****1.01 Basis of presentation**

Our financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The financial statements have been presented in accordance with Accounting Standards Codification (ASC) Topic 205 - Presentation of Financial Statements. The company has adopted the going concern basis of accounting, which assumes the company will continue to operate in the foreseeable future. The financial statements are presented in US dollars and all values are rounded to the nearest dollar. The financial statements provide information about the company's financial position, results of operations, and cash flows.

1.02 Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements include contingent liabilities that arise from litigation, claims, and assessments. Management evaluates these matters to determine the likelihood of loss and estimates the range of potential losses.

1.03 Cost of sales

Cost of sales includes all direct costs associated with the production of goods or services sold by the company. This may include raw materials, labor, and overhead costs directly attributable to the production process. Cost of sales does not include selling, general, and administrative expenses. Any changes in inventory valuation or recognition of costs related to long-term contracts are accounted for separately in accordance with ASC 705.

1.04 Advertising costs

Advertising costs are expensed as incurred and classified as operating expenses in the period in which they are expended. Test advertising costs, which are incurred prior to the introduction of a new product or service, are also expensed as incurred. There are no advertising costs capitalized as assets on the balance sheet. Advertising costs incurred were \$ 4,412 and \$ 2,200 in the years ended December 31, 2024 and 2023, respectively.

2 Property, plant and equipment

Property, plant and equipment consists of the following :

	December 31, 2024	December 31, 2023
Building	\$ 48,000	\$ 48,000
Computers and Equipment	5,900	-
Plant	21,850	23,200
	<u>75,750</u>	<u>71,200</u>
Accumulated depreciation	(9,150)	(7,200)
Property, plant and equipment, net	<u>\$ 66,600</u>	<u>\$ 64,000</u>

Depreciation expense on Property, plant and equipment was \$ Nil and \$ Nil for the years ended December 31, 2024 and 2023, respectively.

3 Intangible assets

Intangible assets consists of the following :

	December 31, 2024	December 31, 2023
Goodwill	\$ 5,000	\$ -
Accumulated amortization	(1,401)	-
Intangible assets, net	<u>\$ 3,599</u>	<u>\$ -</u>

Amortization expense on Intangible assets was \$ 1,401 and \$ Nil for the years ended December 31, 2024 and 2023, respectively.