

IRIS business Services LLC
Financial Statements
March 31, 2021 and 2020
(With Independent Accountant's Compilation Report)

IRIS Business Services LLC

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March 31, 2021 and 2020

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VENTURA PRANAS
ACCOUNTANTS WITHOUT BORDERS

To the Member of
IRIS Business Services LLC

Management is responsible for the accompanying financial statements of IRIS Business Services LLC, which comprise the balance sheets as of March 31, 2021 and 2020, and the related statements of operations and changes in accumulated deficit for the year then ended in accordance with the accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Pranas Accounting, Tax and Bookkeeping Services, Inc.

Pranas Accounting, Tax and Bookkeeping Services, Inc.
Los Angeles, CA
May 14, 2021

IRIS Business Services LLC

Balance Sheets

March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash	\$ 45,436	\$ 10,118
Accounts receivable	58,700	48,738
Unbilled revenue	9,785	9,785
Prepaid expense	5,787	4,166
Security deposits	1,676	1,676
	<u>1,676</u>	<u>1,676</u>
Total assets	<u>\$ 121,384</u>	<u>\$ 74,483</u>
Liabilities and member deficit		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 294,238	151,132
Deferred income	4,919	-
Security deposit payable	1,676	1,676
	<u>1,676</u>	<u>1,676</u>
Total liabilities	<u>300,833</u>	<u>152,808</u>
Member deficit		
Member equity	210,000	210,000
Accumulated deficit	(389,449)	(288,325)
	<u>(389,449)</u>	<u>(288,325)</u>
Total member deficit	<u>(179,449)</u>	<u>(78,325)</u>
Total liabilities and member deficit	<u>\$ 121,384</u>	<u>\$ 74,483</u>

See independent accountant's compilation report.

IRIS Business Services LLC
 Statements of Operations and Changes in Accumulated Deficit
 Years Ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue		
Remote access fee	<u>\$ 138,844</u>	<u>\$ 101,090</u>
Operating expenses		
Professional fees	193,631	203,660
Telephone	12,041	9,790
Travel	8,892	31,990
Rent	7,587	7,769
Shipping and delivery	7,452	3,139
Other operating expenses	5,109	5,946
Membership fees	4,500	3,428
Office supplies	756	1,872
Meals and entertainment	-	2,660
Total operating expenses	<u>239,968</u>	<u>270,254</u>
Net loss	(101,124)	(169,164)
Accumulated deficit – beginning	<u>(288,325)</u>	<u>(119,161)</u>
Accumulated deficit – ending	<u>\$ (389,449)</u>	<u>\$ (288,325)</u>

See independent accountant's compilation report.

IRIS Business Services LLC
 Statements of Cash Flows
 Years Ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Net loss	\$ (101,124)	\$ (169,164)
Changes in operating assets and liabilities		
Accounts receivable	(9,962)	(17,475)
Unbilled revenue	-	(9,785)
Prepaid expenses	(1,620)	(4,167)
Accounts payable and accrued expenses	143,106	87,908
Deferred income	4,919	-
Net cash used in operating activities	<u>35,319</u>	<u>(112,683)</u>
Cash flows from financing activities		
Capital contributions	<u>-</u>	<u>120,000</u>
Net increase in cash	<u>35,319</u>	<u>7,317</u>
Cash at the beginning of the year	<u>10,118</u>	<u>2,801</u>
Cash at the end of the year	<u>\$ 45,436</u>	<u>\$ 10,118</u>

See independent accountant's compilation report.

Note 1 Organization

IRIS Business Services LLC (A Wholly Owned Subsidiary of IRIS Business Services Limited (the “Parent)) (the “Company”) was incorporated under the laws at the state of Delaware on April 23, 2009. The Company provides cloud based software solutions to the private sectors.

Note 2 Summary of Significant Accounting Policies

Basis of Presentation

The Company prepare their financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America “GAAP”.

Concentration of Credit Risk

From time to time, cash accounts at financial institutions may exceed the Federal Deposit Insurance Corporation insured limits. The Company has not experienced any loss in such accounts and does not believe it is exposed to any significant credit risk to its cash.

Revenue Recognition

The Company generates substantially all of its revenue from licenses for use of its software products. Revenue from sale of software/software licenses which do not involve any customization are recognized upon delivery of the software to the clients and subscription income is recognized as revenue over the period of the subscription. Subscription fees are generally due and payable upon receipt of invoice by our customers or within 45 days of the stated billing date. The Company does not provide the customer with the right to take possession of its software products at any time.

The Corporation follows Financial Accounting Standards Board (“FASB”) Accounting Standard Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

Accounts Receivable

Accounts receivable represents amounts due from customers of the Company. Accounts receivable is periodically evaluated to determine collectability based on past history with customers and their current financial condition. The Company records an allowance for estimated uncollectable accounts. Management’s estimate is based on historical collection experience and an evaluation of the current status of accounts receivable. Once the portion of the receivable becomes uncollectable, it is written off against allowance for doubtful accounts.

Note 2 Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 Related Party Transactions

As of March 31, 2021 and 2020, the Parent company owed \$29,586 for both years and is included as component of accounts receivable on the accompanying balance sheets.