

IRIS Business Services LLC
Financial Statements
March 31, 2024, and 2023

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VENTURA PRANAS
ACCOUNTANTS WITHOUT BORDERS

Pranas Accounting Tax & Bookkeeping Services, Inc

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, 2024, and 2023, 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.



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May 09, 2024



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IRIS Business Services LLC

Balance Sheets

March 31, 2024, and 2023

Particulars	2024	2023
Assets		
Current assets		
Cash	\$ 192,477	\$ 221,597
Accounts receivable	62,217	177,272
Deferred expense	-	-
Unbilled revenue	24,822	11,815
Prepaid expense	5,832	5,457
Withholding tax	14,625	12,555
Fixed Deposit	300,000	-
Interest Accrued on FD	3,142	-
Security deposits	2,389	9,664
Total current assets	605,505	438,361
Fixed assets		
Computer	3,035	3,035
Less: Accumulated depreciation	(2,556)	(1,544)
Total fixed assets	479	1,491
Total assets	\$ 605,984	\$ 439,852
Liabilities and member deficit		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	430,947	\$ 345,299
Deferred income	249,934	198,689
Prepaid revenue	6,266	6,266
Income tax payable	4,000	-
Provision - Bad & Doubtful Debt	388	-
Payroll Liabilities	15,149	17,020
Total liabilities	706,684	567,274
Member deficit		
Member equity	210,000	210,000
Accumulated deficit	(310,700)	(337,422)
Total member deficit	(100,700)	(127,422)
Total liabilities and member deficit	\$ 605,984	\$ 439,852

See independent accountant's compilation report.

IRIS Business Services LLC

Statements of Operations and Changes in Accumulated Deficit Years Ended March 31, 2024 and 2023

Particulars	2024	2023
Revenue		
Remote access fee	\$ 785,622	\$ 646,372
Other income	3,142	
Total revenue	<u>788,764</u>	<u>646,372</u>
Operating expenses		
Payroll expenses	168,041	168,042
Bank Service Charges	3,874	-
Intercompany expenses	405,191	153,246
Professional fees	53,772	105,026
Partners fees	8,519	69,012
Travel	24,390	41,798
Telephone	17,109	15,362
Conferences	32,123	-
Other operating expenses	-	10,806
Postage courier	9,075	-
Rent	8,654	8,615
Dues and Subscriptions	1,180	-
Sales and marketing expenses	-	7,500
Shipping and delivery	-	7,173
Taxes	4,600	6,453
Miscellaneous	982	-
Membership fees	5,028	4,780
Meals and entertainment	4,533	4,618
Insurance expense	3,571	2,728
Advertising and promotion	10,000	2,400
Doubtful Debts Provision Revers	388	-
Office supplies	-	1,273
Deprecation	1,011	1,011
Total operating expenses	<u>762,042</u>	<u>609,844</u>
Net profit	\$ 26,722	\$ 36,528
Accumulated deficit – beginning	(337,422)	(373,950)
Add: Previous year adjustment in current year	-	-
Accumulated deficit – ending	<u><u>\$ (310,700)</u></u>	<u><u>\$ (337,422)</u></u>

See independent accountant's compilation report.

IRIS Business Services LLC
Statements of Cash Flows
Years Ended March 31, 2024, and 2023

Particulars	2024	2023
Cash flows from operating activities		
Net loss	\$ 26,722	\$ 36,528
Depreciation	1,011	1,011
Accounts receivable	115,055	(54,853)
Deferred expense	-	45,106
Unbilled revenue	(13,007)	6,919
Prepaid expense	(375)	(996)
Withholding tax	(2,070)	(7,013)
Fixed Deposit	(300,000)	-
Interest Accrued on FD	(3,142)	-
Security deposits	7,275	(7,988)
Accounts payable and accrued expenses	85,648	(29,259)
Deferred income	51,245	18,207
Income tax payable	4,000	-
Provision - Bad & Doubtful Debt	388	-
Payroll Liabilities	(1,871)	17,020
Net cash from operating activities	<u>(29,120)</u>	<u>24,683</u>
Net increase in cash	<u>(29,120)</u>	<u>24,683</u>
 Cash at the beginning of the year	 <u>221,597</u>	 <u>196,914</u>
 Cash at the end of the year	 <u><u>\$ 192,477</u></u>	 <u><u>\$ 221,597</u></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 represent amounts due from customers of the Company. Accounts receivables are 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)

Income Taxes

The entity, being a "C Corporation," will be taxed under the provisions of the Internal Revenue Code and the comparable state income tax laws. As C corporation, the LLC is subject to corporate income taxes. Therefore, the provision or liability of income taxes reflected in the financial statements represents the estimated tax. As of March 31, 2024, the company has provided for a federal tax liability of approximately \$4,000, and the same is shown under the heading "Taxes" in the financial statement.

Current assets and current liabilities are offset when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle the assets and liabilities on a net basis when they relate to taxes on income levied by the same governing tax laws.

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.