

123GREETINGS.COM, INC.

**Shah & Sons Associates, LLC**  
PERSONAL FINANCE • TAX & ACCOUNTING SERVICES

AUDITED FINANCIAL STATEMENTS AND ACCOUNTANTS' AUDIT REPORT

FOR THE YEAR ENDED MARCH 31, 2023

123GREETINGS.COM, INC.

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FOR THE YEAR ENDED MARCH 31, 2023

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To The Board of Directors and Shareholders of 123Greetings.Com, Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of 123Greetings.Com, Inc. which comprise the balance sheet as of March 31, 2023, and the related statement of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

**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 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 audit. We conducted our audit 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 audit 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

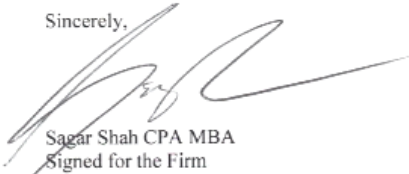
**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 123Greetings.com, Inc. as of March 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information which includes the supporting schedules and general and administrative expenses schedule is presented for purposes of additional analysis only and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied to the audit of the financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sincerely,



Sagar Shah CPA MBA  
Signed for the Firm  
April 28th, 2023

123GREETINGS.COM, INC.  
BALANCE SHEET  
MARCH 31, 2023

**ASSETS**

CURRENT ASSETS	
Cash in Bank	\$ 121,564
Accounts Receivable	\$ 72,647
Loans To Affiliates	\$ 35,344
Advance to suppliers	\$ 294
Prepaid Expenses	\$ 38,579
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 268,428</b>

OTHER ASSETS	
Trademarks	\$ 5,325
<b>TOTAL OTHER ASSETS</b>	<b>\$ 5,325</b>

**TOTAL ASSETS** **\$ 273,753**

**LIABILITIES**

CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 20,357
Customer Advances	\$ 10,001
Income Tax Payable	\$ 900
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 31,258</b>

**TOTAL LIABILITIES** **\$ 31,258**

**SHAREHOLDERS EQUITY**

Members Equity	\$ 100,000
Retained Earning - Beginning	\$ 139,484
NET EARNINGS	\$ 3,011

**TOTAL LIABILITIES  
AND SHAREHOLDERS EQUITY** **\$ 273,753**

SEE ACCOUNTANTS REPORT AND ACCOMPANYING NOTES

123GREETINGS.COM, INC.  
STATEMENT OF INCOME AND EXPENSES  
MARCH 31, 2023

<b>INCOME:</b>	
Sales	\$ 1,079,822
Other Income	\$ 507
	<u>\$ 1,080,329</u>
<b>OPERATING EXPENSES:</b>	
Cost of Sales (Schedule 1)	\$ 256,260
Product and Content Development (Schedule 2)	\$ 789,965
Sales and Marketing Expense (Schedule 3)	\$ 6,932
General and Admin Expenses (Schedule 4)	\$ 23,149
	<u>\$ 1,076,306</u>
<b>TOTAL OPERATING EXPENSES:</b>	
	<u>\$ 1,076,306</u>
INCOME BEFORE INCOME TAX	\$ 4,023
PROVISIONS FOR INCOME TAX	\$ 900
PRIOR YEAR TAXES	\$ 112
<b>NET INCOME</b>	<u>\$ 3,011</u>
<b>NET EARNINGS</b>	<u>\$ 3,011</u>

SEE ACCOUNTANTS REPORT AND ACCOMPANYING NOTES

123GREETINGS.COM, INC.  
STATEMENT OF CASH FLOWS  
MARCH 31, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Income Before Taxes	\$ <u>4,023</u>
Changes In Operating Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	\$ 23,028
(Increase) Decrease in Other Current Assets	\$ 9,343
Increase (Decrease) in Accounts Payable and Accrued Expenses	\$ (20,089)
Increase (Decrease) in Other Payables	\$ 3,536
Increase (Decrease) in income taxes payable	\$ (1,650)
Net Cash generated from Operating Activities	\$ <u>18,191</u>
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	-
<b>NET INCREASE IN CASH</b>	\$ 18,191
<b>CASH AT BEGINNING OF YEAR</b>	\$ 103,373
<b>CASH AT END OF YEAR</b>	\$ <u>121,564</u>

SEE ACCOUNTANTS REPORT AND ACCOMPANYING NOTES

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

123Greetings.com, Inc ("The Company"), incorporated in the state of Delaware on May 27, 1999 under the name of Intrasoft Media Technologies, Inc. to provide Internet based electronic greeting cards delivery services.

On August 31, 1999, the Company changed its name to 123Greetings.com, Inc.

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

***Cash and cash equivalent***

For the purpose of the statement of cash flows, the Company considers all temporary cash investments purchased with a maturity of three months or less to be cash equivalent.

***Revenues***

Electronic greeting cards delivery service:

Revenues are principally generated from impressions of customer's banners on the company's web site. Revenues are recognized and billed on the last day of the month using industry recognized reporting.

***Accounts receivable***

Accounts receivable totaled \$72,647 as of March 31, 2023. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made.

***Advertising costs***

The company expenses advertising costs as incurred. For the year ended March 31, 2023, there were no advertising related costs.



***Property and equipment***

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated lives of the related assets. As of March 31, 2023, all assets have been fully depreciated.

***Use of estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Events Occurring After Reporting Date***

The Company has evaluated events and transactions that occurred between March 31, 2023, and April 28th, 2023, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**2. PREPAID EXPENSES**

Prepaid expenses consist of web services that the company purchases in advance. Prepaid expenses for the year ended March 31, 2023, were \$38,579.

**3. RELATED PARTY TRANSACTIONS**

The Company's parent company provides Development and Transmission of IT Enabled Services. During the year ended March 31, 2023, amounts billed by the parent company were \$769,074. As of March 31, 2023, the company is owed \$35,344 from its parent company.

**4. INCOME TAXES**

The Company accounts for income taxes using the liability method under which deferred tax assets and liabilities are determined based upon the differences between financial statements carrying amounts and the tax basis of existing assets and liabilities. During the year ended March 31, 2023, there were no material differences that required deferred tax asset or liability.

The Company reviews tax positions taken to determine if it is more likely than not that the position would be sustained upon examination resulting in an uncertain tax position. The Company did not have any material unrecognized tax benefit at March 31, 2023.

**123GREETINGS.COM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

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The Company recognizes interest accrued and penalties related to unrecognized tax benefits in tax expense. During the year ended March 31, 2023, the Company recognized \$0 in interest and penalties.

The Company files U.S. federal tax returns and tax returns in various states. All tax periods since 2018 remain open to examination by the taxing jurisdictions to which the Company is subject.

In December 2017, the federal government enacted numerous amendments to the Internal Revenue Code of 1986 pursuant to an act known by the Tax Cuts and Jobs Act (the "TCJA"). The provisions lowered the corporate tax rate from 35% to a flat 21% rate. TCJA impacted the Company's income tax expense (benefit) from continuing operations (approximately 25% effective combined Federal and State corporate tax rate).

**5. CONCENTRATION OF RISK**

Concentration of Risk The Company maintains cash in deposit accounts in a federally insured bank. At times, the balance in the account may be in excess of federally insured limits. As of March 31<sup>st</sup>, 2023, more than 50% of the companies account receivable balance is from one debtor: Google Adsense.

**6. COMMON AND PREFERRED STOCK**

Common and Preferred Stock The Company authorized 10,000,000 shares of \$.01 par value common stock and 1,000,000 shares of \$.01 par value preferred stock. At March 31, 2023, the company had 10,000,000 shares of common stock issued and outstanding.

**123GREETINGS.COM, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2023

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**Schedule 1 – Cost of Sales**

Webpace and Bandwidth Expense	\$	251,105
Dues and Subscriptions	\$	5,155
	\$	<u>256,260</u>

**Schedule 2 – Product and Content Development**

Content Purchases	\$	769,074
Content Acquisition	\$	20,891
	\$	<u>789,965</u>

**Schedule 3 – Sales and Marketing Expense**

Commissions to Sales Agents	\$	3,194
Other SME Expenses	\$	3,738
	\$	<u>6,932</u>

**Schedule 4 – General and Admin Expenses**

Legal and Professional Fees	\$	7,598
Audit Fees	\$	6,000
Bank Charges	\$	3,400
Rent	\$	3,600
Telephone Charges	\$	1,223
Filing Fees	\$	200
Rates and Taxes	\$	450
Insurance	\$	678
	\$	<u>23,149</u>