Interact – TV Incorporated

CONSOLIDATED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

for the Year Ended December 31, 2020

The accompanying notes are an integral part of these financial statements

Interact-TV Incorporated

Consolidated Balance Sheet **As of December 31st, 2020**

ASSETS		US $
CURRENT ASSETS		
Cash and cash equivalents	$	16,244
Total Current Assets	**$**	**16,244**
OTHER ASSETS		
Deferred Tax Asset	$	133,140
Notes Receivable	$	14,948
TOTAL ASSETS	**$**	**164,332**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Convertible notes	$	571,465
Accounts payable	$	807,161
EIDL Loan	$	17,500
Notes payable	$	37,550
Total Current Liabilities	**$**	**1,433,676**
STOCKHOLDERS' EQUITY		
Common Stock	$	202,082
Preferred Stock	$	252
Additional paid in capital	$	1,869,751
Retained earnings	$	(3,341,429)
Total Stockholders' Equity	$	(1,269,344)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$**	**164,332**

Notes:

Common stock, par value $0.00001 per share;
30,000,000,000 shares authorized;
24,572,500,746 shares issued and outstanding

Preferred stock, par value $0.00001 per share;
240,000,000 shares authorized;
3,415,321 shares issued and outstanding

The accompanying notes are an integral part of these financial statements

Interact-TV Incorporated

Consolidated Statement of Operations
For the year ending December 31st, 2020

REVENUES		
Album Sales and Royalties Revenue	$	14,442
Other Income (EIDL Grant)	$	2,000
Total Revenues	$	16,442
Cost of Services Provided	$	13,400
Gross Margin	$	3,042
EXPENSES		
Selling, General and Administrative Expenses	$	3,082
Operating Income (Loss)	$	(40)
Other Income (Expense)		
Convertible notes and accrued interest expense	$	(29,732)
Total Other Income (Expense)	$	(29,732)
Net Income (Loss) - Before Taxes	**$**	**(29,772)**
Corporate Income Taxes	$	-
Net Income After Taxes	**$**	**(29,772)**

The accompanying notes are an integral part of these financial statements

Interact-TV Incorporated

Consolidated Statement of Cash Flows
For the Year Ending December 31st, 2020

Cash Flows From Operating Actvities		
Cash Provided by Operating Activities	$	(29,772)
Cash Used in Operating Activities		
Net from Operating Activities	$	(29,772)
Cash Flows From Investing Activities		
Cash Provided by Investing Activities	$	-
Cash Used in Investing Activities	$	-
Net from Investing Activities	$	-
Cash Flows From Financing Activities		
Cash Provided by Loans	**$**	**66,721**
Cash Provided by Share Issuances		
Cash Used in Financing Activities	$	(20,861)
Net from Financing Activities	$	45,860
Net Change in Cash Flows	$	16,088
Cash, as of January 1st, 2020	**$**	**155**
Net Change in Cash Flows	**$**	**16,088**
Cash, as of December 31st, 2020	**$**	**16,244**

The accompanying notes are an integral part of these financial statements

Interact-TV Incorporated

Statement of Changes in STOCKHOLDERS' EQUITY

	$ 0.00001 Par Value		Additional	
	Common Stock	Preferred Stock	Paid-In Capital	Accumulated Deficit
BALANCE - January 1, 2020	24,572,500,746	3,415,321	$ 1,869,751	$ (3,148,459)
Issuance of common and prefered shares	0	0	$ -	$ -
Net income for the year ending 12/31/2020				$ (29,772)
Accrued convertible notes interest expense				$ (163,199)
BALANCE - December 31, 2020	**24,572,500,746**	**3,415,321**	**$ 1,869,751**	**$ (3,341,429)**

The accompanying notes are an integral part of these financial statements

NOTE 1 – Organization and Summary of Significant Accounting Policies

Business Activity
Interact-TV Incorporated (the "Company") is a Delaware corporation. The Company is a multi-faceted multi-media company with operations in both the music recording industry as well as music artist management. The Company has one wholly owned subsidiary: Viscount Media Trust, a California business trust. Viscount Media Trust, in turn has one wholly owned subsidiary: Viscount Records, Inc., a Delaware corporation, which in turn has one wholly owned subsidiary; Pocket Kid Records, a California business trust.

These statements are consolidated with its 100% owned subsidiary and all subsidiaries thereunder as described above.

Basis of Presentation
The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Company considers all short-term investments with an original maturity of three months or less at the date of purchase to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts
Accounts receivable are customer's obligations due under normal trade terms. The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Company's estimate is based on historical collection experience and a review of the current status of trade accounts receivable. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

Property and Equipment
Property and equipment are stated at cost net of accumulated depreciation and amortization. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in operations for the period.

The Company capitalizes leased equipment when the terms of the lease result in the transfer to the Company of substantially all the benefits and risks of ownership of the equipment.

Depreciation and amortization of property and equipment are provided utilizing primarily the straight-line method over the estimated useful lives of the respective assets as follows:

Building and Improvements	39.5 years
Machinery and equipment	3 to 5 years
Furniture and fixtures	5 years

Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the improvement utilizing the straight-line method. The Company presently has no property plant and equipment.

The accompanying notes are an integral part of these financial statements

Impairment of Long-Lived Assets
The Company reviews the carrying value of long-lived assets to determine if they have been impaired by adverse conditions that may affect the Company, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. As of December 31, 2020, no impairment of long-lived assets was deemed necessary.

Accounting for Derivative Instruments and Hedging Activities
The Company recognizes all derivative instruments as either assets or liabilities in the balance sheet at fair value, which is recorded through earnings. If a derivative is a qualifying hedge, depending on the nature of the hedge, changes in the fair value of the derivative are either offset against the change in fair value of the underlying assets or liabilities through earnings or recognized in accumulated comprehensive income until the underlying hedged item is recognized in earnings. The ineffective portion of a derivative's change in the fair value is to be immediately recognized in earnings.

The Company has in the past entered convertible note contracts to fund the Company's operations. As of December 31, 2020, the Company had no derivative instruments. See footnote 3 for further discussion on convertible notes.

Revenue Recognition
Revenue is recognized when (i) persuasive evidence of an arrangement exists, a signed non-cancelable contract (ii) delivery has occurred and the music rights have been transferred to the licensee, who is able to use them, (iii) the fee is fixed or determinable and (iv), collectability of the sale is reasonably assured. All significant duties and obligations owed to the licensee are met.

Advertising Expenses
The Company expenses all advertising costs as incurred. There were no advertising expenses for the seven months ended December 31, 2020.

Income Taxes
Management has concluded that there are no uncertain tax positions that would require recognition in the financial statements. If the Company were to incur an income tax liability from an uncertain tax position in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes.

Management's conclusions regarding uncertain tax positions may be subject to review and adjusted later based upon ongoing analyses of tax laws, regulations, and interpretations thereof as well as other factors. Generally, federal, state, and local authorities may examine the tax returns for three years from the date of filing and the current and prior three years remain subject to examination as of December 31, 2020.

Deferred taxes represent the tax effects of differences between the financial reporting and tax basis of the Company's assets and liabilities at the enacted tax rates in effect for the years in which the differences are expected to reverse. The Company evaluates the recoverability of deferred tax assets and establishes a valuation allowance when it is more likely than not that some portion or all the deferred tax assets will not be realized. Income tax expense consists of the income tax within the period and the change during the period in deferred tax assets and liabilities.

Total accrued deferred tax assets as of December 31, 2020 was $133,140.

Fair Value of Financial Instruments

The Company utilizes a three-level hierarchy (the "Valuation Hierarchy") for fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following fair value hierarchy is used in selecting inputs, with the highest priority given to Level 1, as these are the most transparent or reliable:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. The Company has no level 1 assets and liabilities as of December 31, 2020.

- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. The Company has no level 2 assets and liabilities as of December 31, 2020.

- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Company has no level 3 assets and liabilities as of December 31, 2020.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reporting period. Significant estimates include the accounts receivable and inventory allowances and deferred tax valuation allowance. Actual results could differ from those estimates.

NOTE 2 – Revenue

Revenues include monies received by the Company's wholly-owned subsidiary Pocket Kid Records for the licensing of albums by bands signed to Pocket Kid Records, as well as the sponsorship of such bands and non-recoupable advances made in support of band tours by various third parties, as well as album sales. The exact terms of these revenue deals are not available for public disclosure beyond the disclosures contained in any disclosure statements we may provide.

NOTE 3 – Convertible Notes Payable

As of December 31, 2020, the Company had five convertible notes outstanding, as follows:

On September 1, 2009 Viscount Records, Inc., a wholly owned subsidiary of Viscount Media Trust (which in turn is a wholly owned subsidiary of the Company) issued a convertible note in the amount of $150,000 at an interest rate of 8 percent per annum to Viscount Productions Ltd in exchange for a recording artist contract. The contract was subsequently assigned to FMCOCO, Inc. (a related party, see note 3 below). As of December 31, 2020, the note had an estimated fair value of $ 324,107 including interest.

On November 25, 2009, the Company issued a convertible note payable to FMCOCO in the amount of $20,000 at an interest rate of 5 percent per annum. As of December 31, 2020, the note had an estimated fair value of $ 7,617 including interest.

On February 11, 2010, the Company issued a convertible note payable to FMCOCO in the amount of $60,000 at an interest rate of 8 percent per annum. As of December 31, 2020, the note had an estimated fair value of $ 100,476 including interest. ($16,000 of this note was converted into 1,600,000,000 shares of common stock – see Note 5.)

On April 1, 2010, the Company issued a convertible note payable to FMCOCO in the amount of $20,000 at an interest rate of 5 percent per annum. As of December 31, 2020, the note had an estimated fair value of $19,886 including interest.

On February 28, 2012, the Company issued a convertible note payable to FMCOCO (the fifth convertible note held by FMCOCO) in the amount of $60,000 at an interest rate of 8 percent per annum. As of December 31, 2020, the note has an estimated fair value of $ 106,950 including interest.

All convertible notes have a conversion rate equal to one share of common stock of the Company in exchange for every $0.00001 of the total value of the note, including any accrued interest at the time of conversion.

NOTE 4 - Commitments and Contingencies

Legal Matters

The Company, including all its subsidiaries, is not aware of, nor involved or engaged in any pending, threatened or current legal proceedings.

NOTE 5 – Issuance of Shares

Common

In April 2014, 868,750,000 shares of common stock were issued as a result of a conversion from 34,750 shares of Preferred Series B stock. See our Statement of Changes in Stockholders' Equity.

Also, in April 2014, 1,600,000,000 shares of common stock were issued as a result of a conversion of $16,000 worth of the value of a convertible note held by FMCOCO, Inc., thus reducing the value of such convertible note from approximately $83,559 to $67,559. Accrued interest has subsequently raised the value of this note to $ 100.476 as of December 31, 2020.

Preferred

In April 2014, 2,000 shares of Preferred Series D were sold for $2,000 cash to a non-affiliate in an isolated transaction.

NOTE 6 – Share-Based Compensation

The Company accounts for stock-based compensation pursuant to ASC 718, "Share-Based Payment," which requires measurement of compensation cost for all stock awards at fair value on the date of grant and recognition of compensation, net of estimated forfeitures, over the requisite service period for awards expected to vest.

NOTE 7 – New Accounting Pronouncements

Effective January 1, 2019, The Company adopted ASC Topic 606, Revenue from Contracts with Customers ("ASC Topic 606"). The new revenue recognition guidance requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation.

In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. Revenues from contracts with customers are comprised of consulting fees and mutual fund and private placement commissions. Management has determined that the adoption of ASC Topic 606 has had no impact on the Company.

NOTE 8 – Subsequent Events

Management has evaluated subsequent events to determine if events or transactions occurring between June 30, 2014 and the date these financial statements were available for publication, required disclosure in the accompanying financial statements. There were no such subsequent events.