



Yusufali & Associates, LLC
Certified Public Accountants & IT Consultants
AICPA, HITRUST, PCAOB, PCIDSS, & ISC2 Registered
55 Addison Drive, Short Hills, NJ 07078

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Free Flow, Inc.

Opinion on the Financial Statements: We have audited the accompanying balance sheets of Free Flow, Inc. (the "Company") as of December 31, 2022, and 2021, the related statements of operations, stockholders' equity, and cash flows, for the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, except for the effects of the going concern considerations as described in note 7 of the financial statements, as described below, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and 2021, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

We were unable to obtain conclusive evidence as described in note 7 to support the Company's ability to increase additional sales through the future, the procurement of additional sales, the successful development of the Company's contemplated plan of operations, and its transition, to the attainment of profitable operations which are necessary for the Company to continue operations. The ability to successfully resolve these factors raises substantial doubt about the Company's ability to continue as a going concern. The financial statements of the Company do not include any adjustments that may result from the outcome of these uncertainties.

Basis for Opinion: These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters: The management listed the critical audit matters in the notes on accounts. They relate to the current period audit of the financial statements, and (1) Disclosures related to Going Concern (2) relate to accounts or disclosures that are material to the financial statements and (3) involved our especially challenging, subjective, or complex judgments. These critical audit matters do not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by referring the critical audit matters, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

A handwritten signature in blue ink that reads "Yusufali & Associates, LLC".

Yusufali Musaji

Managing Partner

Yusufali & Associates, LLC

PCAOB registration # 3313

We have served as the company's auditor since 2019



17th April 17, 2023

FREE FLOW, INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	(Audited) As of December 31, 2022	(Audited) As of December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$17,274	\$10,212
Trade Receivables - current	94,641	104,721
Refund due from IRS - ERTC	77,643	
Rounding off the decimals - error	(2.00)	(2.00)
Inter-company	-	-
Inventories	890	2,525,484
TOTAL CURRENT ASSETS	190,446	2,640,415
Fixed Assets		
Land and Building, without depreciation	772,413	1,712,413
Less: Allowance for Depreciation	(241,228)	(195,029)
TOTAL FIXED ASSETS	531,185	1,517,384
Other Assets		
Delivery Trucks, before depreciation allowance	2,500	3,500
Allowance for Depreciation	(2,500)	(3,500)
Improvements in progress	10,697	10,697
Equipment and Delivery Trucks, before depreciation allowance	31,712	35,000
Allowance for Depreciation	(31,712)	(17,080)
TOTAL OTHER ASSETS	10,697	28,617
TOTAL ASSETS	\$732,327	\$4,186,416
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts Payable	\$1,647	\$23,709
Notes Payable	10,402	\$958,755
Notes Payable - Related Parties	9,634	1,989
TOTAL CURRENT LIABILITIES	21,683	984,453
Long Term Liabilities		
Incredible Bank - Revolving Line of Credit - \$350,000	319,319	335,801
PPP1	-	41,675
EIDL	499,900	146,300
PayPal Advance	33,528	48,236
Incredible Bank	851,817	860,559
TOTAL LONG TERM LIABILITIES	1,704,565	1,432,571
Total Liabilities	1,726,247	2,417,024
Redeemable Preferred Stock		
Series B; 500,000 shares authorized; 330,000 and 0 issued and outstanding as of December 31, 2018 and 2017 respectively (Classified as Mezzanine Equity)	330,000	330,000
Series C; 500,000 shares authorized; 470,935 and 0 issued and outstanding as of December 31, 2018 and 2017 respectively (Classified as Mezzanine Equity) - As equity in Accurate Auto Parts, Inc.	470,935	470,935
Stockholders' Equity (Deficit)		
Preferred Stock (\$0.0001) par value, 20,000,000 shares authorized 10,000 shares par value \$0.0001 Class A issued on December 31, 2015	1	1
Additional Paid in capital		

Common stock, (\$0.0001) par value, 100,000,000 shares authorized and 26,200,000 shares issued and outstanding as of December 31, 2018 26,221,000 and 26,200,000 issued as on Dec. 31, 2019 and 2018 respectively	2,620	2,620
Additional Paid in capital	129,033	131,033
Subscription received - pending acceptance	-	-
Current year Profit (Loss)	(2,761,312)	543,898
(Accumulated Deficit) / Net worth, brought forward	834,803	290,905
(Accumulated Deficit) / Net worth		
TOTAL STOCKHOLDERS' EQUITY / (DEFICIT)	(1,794,855)	968,457
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	\$732,327	\$4,186,416

The accompanying notes are an integral part of the Consolidated Financial Statements

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FREE FLOW, INC. & SUBSIDIARIES
Consolidated Statements of Operations

	Year Ended December 31, 2022	Year Ended December 31, 2021
REVENUES		
Sales	\$195,137	\$745,675
TOTAL REVENUES	195,137	745,675
COST OF GOODS SOLD	195,529	349,892
GROSS PROFIT	(391)	395,783
Selling ,General & Administrative Expenses	341,971	516,980
Other Expenses		
Provision of write-off - Inventory	-	-
Total Expenses	341,971	516,980
Net Operating (Loss)	\$(342,362)	\$(121,197)
Other Income (Loss)	\$(2,418,950)	\$(26,562)
Increase in value of inventory	\$-	\$691,657
Net Income	\$(2,761,312)	\$543,898
BASIS INCOME (LOSS) PER SHARE	\$(0.11)	\$0.02
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	24,841,900	26,221,000

The accompanying notes are an integral part of the Consolidated Financial Statements

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FREE FLOW, INC. & SUBSIDIARIES
Consolidated Statements of Cash Flows

	Year Ended December 31, 2022	Year Ended December 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		

Net (Loss) / Profit	\$(2,761,312)	543,898
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	62,436	52,434
Loss on disposal of fixed assets	339	-
Forgiveness of PPP 1 loan	(41,675)	-
Adjustment of additional paid in capital	(2,000)	-
Assets of IAP	940,000	-
Inventory	2,525,484	-
Notes payable IAP	(937,666)	-
Changes in operating assets and liabilities:		
(Decrease) / Increase in Trades Payable	(22,062)	13,880
(Increase) / Decrease in Trade Receivables	(67,563)	97,949
Increase in Inventory	(890)	(746,660)
NET CASH (USED IN) BY OPERATING ACTIVITIES	(304,909)	(38,500)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	1,344	-
Payment against improvement in progress	-	(1,255)
NET CASH PROVIDED/ (USED IN) INVESTING ACTIVITIES	1,344	(1,255)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable - related parties	7,645	300
Repayment of subscription Money	-	(25,500)
Proceeds from Notes payable	5,000	18,755
Repayment of Notes Payable	(15,687)	-
Repayment of Line of Credit	(16,482)	(13,699)
Repayment of Pay Pal Advance	(14,707)	(14,707)
Proceeds from PPP1	-	13,875
Proceeds from EIDL	353,600	-
Repayment of Loan from Incredible Bank	(8,742)	(12,572)
NET CASH PROVIDED / (USED IN) BY FINANCING ACTIVITIES	310,627	(33,549)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,062	(73,304)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	10,212	83,516
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	17,274	10,212
The accompanying notes are an integral part of the Consolidated Financial Statements		

FREE FLOW, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Free Flow, Inc. (the "Company") was incorporated on October 28, 2011 under the laws of State of Delaware to enter the green energy industry. It began with the idea of developing swimming pool solar pump system. The solar energy business became very volatile due to constant decline in prices of solar panels. The Company could not conclude any business in the solar energy sector. In February 2016 the Company formed a subsidiary namely JK Sales, Corp. (name changed to "Accurate Auto Sales, Inc.") and began the business of selling used auto parts.

Accurate Auto Sales, Inc., at a 19+ acre facility that it now owns, in King George, VA, buys end of life and wrecked automobiles from Insurance Auctions and disassembles the same to parts. After the disassembly these parts are labelled and stored at its warehouse, the inventory is uploaded and sold through a very sophisticated internet network. The primary customers are auto body and mechanic shops.

In December 2020 the Company acquired the Assets of Inside Auto Parts, Inc. incorporated in 1993, which is centrally located between Richmond, Charlottesville, and Fredericksburg, Virginia with easy access to main transport routs. The salvage dealership, specializing in used foreign car and truck parts has been acquired by Free Flow, Inc. subsidiary named "FFLO - Inside Auto Parts, Inc." and has 21,953.9 square feet fully enclosed and another 17,392.35 square feet under roof enclosed on 3 sides, all located on 16 acres of land in Mineral, Virginia now owned by Free Flow, Inc.

Current management of Inside Auto Parts, Inc. will remain in place to manage FFLO – Inside Auto Parts, Inc.

Subsequent to receipt of an LOI from an overseas buyer the Company's plan to set up a "Scrap Metal Processing" plant is in place and funding for equipment is being sought. Management forecasts that the scrap metal processing would add another \$10 to \$12 million in gross sales.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING BASIS

The statements were prepared following generally accepted accounting principles of the United States of America (US GAAP) consistently applied and the rules and regulations of U.S. Securities and Exchange Commission (SEC).

USE OF ESTIMATES

Management uses estimates and assumptions in preparing these financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, operating accounts and short-term, highly liquid investments with maturities of three months or less at the time of acquisition.

ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Regarding the Aging of Trade Accounts Receivable and Trade Accounts Payable, the industry standard is

very strange in this business. Often, the aging could go to 2 to 3 years and the receivables are good. The reason is that when the customer buys a part which is a firm sale, if they use the part which was purchased, they pay within 60 to 75 days. But if the part did not get used for whatever reason, and they failed to return the part within 30 days, then as a courtesy, the Sellers, does not demand payment so that new sales of other parts continue. Thus, no forceful demand is made if it is a running account and cash is coming in against new sales. The management learnt of this trait after the business was acquired. There were receivables as well as payables that went back to 2 years. Even in the new acquisition that the Company has recently done, while we did not assume any trade liabilities or receivables, the same fact has been observed in the Seller's books of accounts. The management has not suffered any significant bad debts.

Trade Accounts Receivable: Balance is \$172,284 as on 12/31/2022 which includes \$13,743 as receivables for 365 days or more in the aging analysis.

The company did not make any provision for such a long outstanding receivable because (a) these buyers are generally repair shops; (b) when used for the customers, these repair shops send the payment within 60 days; (c) when not used, they are still in possession of the parts until the next purchase as a possible way the truck mileage for the return. When the parts are not returned, our company policy is not to ship anything else, until the previous outstanding sales invoice is paid.

In the past 3 years, this company did not have significant bad debt for the domestic business. One invoice in the amount of \$12,929.23 owed by SAM International, UAE had been written off due to failure to collect the same on account of the owner having gone out of business due to severe incapability to conduct business as a result of health.

Trade Accounts Payable: Balance is \$1,647 as on 12/31/2022 which includes \$0 as payable for 365 days or more in the aging analysis.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less of accumulated depreciation. Expenditures for major additions and improvements that extend the useful life of the related asset are capitalized. As property or equipment sold or retired, the applicable cost and accumulated depreciation are removed from the accounts and resulting gain or loss thereon is recognized. Work in progress consist primarily of building. Depreciation is calculated using straight-line method. The estimated useful lives of Equipment and fixtures are 5 years.

INTANGIBLE ASSETS

Initial Measurement

Intangible asset acquisitions in which the consideration given is cash are measured by the amount of cash paid, which generally includes the transaction costs of the asset acquisition. However, if the consideration given is not in the form of cash (that is, in the form of noncash assets, liabilities incurred, or equity interests issued), measurement is based on either the cost which shall be measured based on the fair value of the consideration given or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and, thus, more reliably measurable.

Subsequent Measurement

The company accounts for its intangible assets under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Subtopic ("ASC") 350-30-35 "Intangibles--Goodwill and Other--General Intangibles Other than Goodwill-Subsequent Measurement". Under this method the company is required to test an indefinite-lived intangible asset for impairment on at least an annual basis. This is done by comparing the asset's fair value with its carrying amount. If the carrying amount exceeds the asset's fair value, the difference in those amounts is recognized as an impairment loss.

INCOME TAXES

The Company accounts for its income taxes in accordance with FASB Accounting Standards Codification ("ASC") No. 740, "Income Taxes". Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax balances. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

FINANCIAL INSTRUMENTS

Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. FASB ASC 820 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

- o Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and must be used to measure fair value whenever available.
- o Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- o Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. For example, level 3 inputs would relate to forecasts of future earnings and cash flows used in a discounted future cash flows method.

The carrying amounts reported in the balance sheet for cash, accounts payable and notes payable approximate their estimated fair market value based on the short-term maturity of this instrument. In addition, FASB ASC 825-10-25 "Fair Value Option" was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value. NET LOSS PER SHARE Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the losses of the Company. Because the Company does not have any potentially dilutive securities, the accompanying presentation is only of basic loss per share.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements that the Company has adopted or that will be required to adopt in the future are summarized below.

In May 2011, FASB issued Accounting Standards Update ("ASU") No. 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS" ("ASU No. 2011-04"). ASU No. 2011-04 provides guidance which is expected to result in common fair value measurement and disclosure requirements between U.S. GAAP and IFRS. It changes the wording used to describe many of the requirements in U.S. GAAP for measuring

fair value and for disclosing information about fair value measurements. It is not intended for this update to result in a change in the application of the requirements in Topic 820. The amendments in ASU No. 2011-04 are to be applied prospectively. ASU No. 2011-04 is effective for public companies for interim and annual periods beginning after December 15, 2011. Early application is not permitted. This update is not expected to have a material impact on the Company's financial statements.

In June 2011, the FASB issued ASU No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income" ("ASU No. 2011-05"). In ASU No. 2011-05, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. The amendments in ASU No. 2011-05 do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. They also do not change the presentation of related tax effects, before related tax effects, or the portrayal or calculation of earnings per share. The amendments in ASU No. 2011-05 should be applied retrospectively. The amendment is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Early adoption is permitted, because compliance with the amendments is already permitted. The amendments do not require any transition disclosures. This update is not expected to have a material impact on the Company's financial statements.

In September 2011, the FASB issued ASU No. 2011-08, "Intangibles -- Goodwill and Other (Topic 350)" ("ASU No. 2011-08"). In ASU No. 2011-08, an entity is permitted to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If an entity concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it would not be required to perform the two-step impairment test for that reporting unit. The ASU's objective is to simplify how an entity tests goodwill for impairment. The amendments in ASU No. 2011-08 are effective for annual and interim goodwill and impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted, including for annual and interim goodwill impairment tests performed as of a date before September 15, 2011, if an entity's financial statements for the most recent annual or interim period have not yet been issued. The Company is evaluating the requirements of ASU

No. 2011-08 and has not yet determined whether a revised approach to evaluation of goodwill impairment will be used in future assessments. The Company does not expect the adoption of ASU No. 2011-08 to have a material impact on its financial statements.

Other accounting standards that have been issued or proposed by the FASB that do not require adoption until a future date are not expected to have a material impact on the financial statements upon adoption.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 3 - PROVISION FOR INCOME TAXES

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carry-forwards are expected to be available to reduce taxable income. As the achievement of required future taxable income is uncertain, the Company recorded a valuation allowance. As of December 31, 2022 the Company had a net loss of \$2,761,312. Net operating loss carry-forward, expires twenty years from the date the loss was incurred.

	December 31, 2022	December 31, 2021
Net operating profit (loss) Carry Forward	\$ (2,761,312)	\$ 543,898
Valuation allowance	-	\$ -

The Company is subject to United States federal and state income taxes at an approximate rate of 34%. The reconciliation of the provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported is as follows (the taxes are filed on Cash basis):

Free Flow, Inc.
Tax Calculations

	December 31, 2022	December 31, 2021
Net profit (loss) before taxes per financial statement	\$ (2,761,312)	\$ 543,898
Income tax rate	34%	34%
Income tax benefit		184,925
Valuation allowance change	(938,847)	184,925
Provision for income tax	0	0

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred income taxes arise from temporary differences in the recognition of income and expenses for financial reporting and tax purposes. The significant components of deferred income tax assets and liabilities at December 31, 2022 and December 31, 2021 are as follows:

Net deferred income tax asset - The Company has recognized a valuation allowance for the deferred income tax asset since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years. The valuation allowance is reviewed annually. When circumstances change, and which cause a change in management's judgment about the realizability of deferred income tax assets, the impact of the change on the valuation allowance is generally reflected in current income.

NOTE 4- PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	As of December 31, 2022	2021
Property, Land and Building at cost	\$ 772,413	\$ 1,712,413
Trucks at cost	2,500	3,500
Equipment at cost	31,712	35,000
Total Fixed Assets	\$ 806,625	\$ 1,750,913
Less: Accumulated Depreciation	(275,440)	(215,609)
	\$ 531,185	\$ 1,535,304

Depreciation expenses for the periods ended December 31, 2022 and December 31, 2021 were \$62,436 and \$52,434 respectively

NOTE 5 - INVENTORY

	As of December 31,	
	2022	2021
Auto Parts (used)	\$ 890	\$ 2,525,484
	<u>\$ 890</u>	<u>\$ 2,525,484</u>

The decrease in the inventory was a result of sale of asset of subsidiary company namely FFLO – Inside Auto Parts, Inc.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

LITIGATION

The Company is not presently involved in any litigation.

NOTE 7 - GOING CONCERN

Future issuances of the Company's equity or debt securities will be required for the Company to continue to finance its operations and continue as a going concern. The Company's present revenues are marginally sufficient to meet operating expenses. The financial statement of the Company has been prepared assuming that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business. The Company had incurred cumulative net losses of \$1,794,855 since its inception thus requires greater sales for its contemplated operational and marketing activities to take place. The Company's ability to increase additional sales through the future is unknown. The obtainment of additional sales, the successful development of the Company's contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements of the Company do not include any adjustments that may result from the outcome of these uncertainties.

NOTE 8 - RELATED PARTY TRANSACTIONS

Sabir Saleem, the officer and director of the Company, may in the future, become involved in other business opportunities as they become available, thus he may face a conflict in selecting between the Company and his other business opportunities. The Company has not formulated a policy for the resolution of such conflicts.

NOTE 9 - NOTES PAYABLE - RELATED PARTY

REDFIELD HOLDINGS, LTD, MAIN SHAREHOLDER

During the year 2018, the Company received additional loans totaling \$294,518.09 from Redfield Holdings, Ltd and the Company paid \$0 of the loan balance, and the total amount owed by the Company to Redfield Holdings, Ltd. Thus on December 31, 2018 was \$470,935. By mutual consent, this loan amount was converted to preferred shares – Series –C and classified as mezzanine capital for Accurate Auto Parts, Inc. The qualifications are as under:

- a) Each share to carry one vote.
- b) Each share will be redeemable upon repayment of Loan(s) made by River Valley Bank to Accurate Auto Parts, Inc.
- c) Each share will be junior to any debt incurred by the Company.
- d) The redemption value will be the par value at which such "preferred shares - series C" are bought by the subscriber.
- e) Each share will carry a dividend right at par with the common shares.

The Company issued 9,700 shares to Redfield Holdings, Ltd. against a subscription for \$58,000 which was accepted by the Company and shares there against issued to Redfield Holdings, Ltd.

NOTE 10 - CAPITAL STOCK

The Company's capitalization is 100,000,000 common shares with a par value of \$0.0001 per share and 20,000,000 preferred stock, with a par value of \$0.0001 per share.

Of the 20,000,000 authorized Preferred Stock, the company has designated 10,000 shares as "Preferred Shares - Series A". Each share of "Preferred Share - Series A" carries voting rights equal to ten thousand (10,000) votes. In other words, the 10,000 "Preferred Shares - Series A" collectively have a voting right equal to one hundred million (100,000,000) common shares of the Corporation.

On November 22, 2011, the Company issued a total of 25,000,000 shares of common stock to one director for cash in the amount of \$0.0008 per share for a total of \$20,000.

On December 6, 2011, the Company issued a total of 1,200,000 shares of common stock to Garden Bay International for cash in the amount of \$0.000833 per share for a total of \$1,000.

On August 1, 2014, the Company issued 300 Preferred Shares--series A to Redfield Holdings Ltd. for \$1 each for a total of \$300.

On March 30, 2015, the Company issued 9,700 Preferred Shares – Series A to Redfield Holdings Ltd. for a total sum of \$58,000.

On December 31, 2014 the Company had a Note outstanding in the principal amount of \$330,000 plus interest payable to GS Pharmaceuticals, Inc. On March 31, 2015, by mutual consent this note and accrued interest was converted to 330,000 preferred shares - Series "B".

On December 31, 2018 the Company had a Note outstanding in the principal amount of \$470,935; by mutual consent this note and accrued interest was converted to 470,935 preferred shares - Series "C".

On April 2, 2019 the Company received a sum of \$14,490 for issuance of 21,000 restricted common shares.

As of December 31, 2019, the Company had 26,221,000 shares of common stock issued and outstanding and 10,000 shares of preferred Shares – Series “A”, 330,000 Series “B” and 470,935 Series “C” issued and outstanding.