

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Universal Systems, Inc.

30 N Gould St Ste N, Sheridan, WY 82801

800-395-6811

www.DigitalDistroSolutions.com

ir@DigitalDistroSolutions.com

SIC: 3569

Quarterly Report

For the period ending 3/31/2023 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

As of 3/31/23, the number of shares outstanding of our Common Stock was: 286,049,052

As of 12/31/2022, the number of shares outstanding of our Common Stock was: 286,049,052

As of 09/30/2021, the number of shares outstanding of our Common Stock was: 246,049,052

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

The current name of the issuer is Digital Distro, Inc.

The previous name of the issuer is Universal Systems, Inc. until February 8th, 2022

The previous name of the issuer was Berry Shino Securities of Washington, Inc until July 21, 2003. The previous name of the issuer was New Century Industries, Inc until October 27, 2003.

The previous name of the issuer was New Century Metals Corporation until November 18, 2003.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The Issuer is incorporated in the State of Washington in good standing, and is "active".

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On July 22nd, 2021 Benjamin Berry resigned, and Andrew Lane was appointed as President/CEO of the Company.

On August 13th, 2021 Andrew Lane appointed Robert E. Munck as Vice-President of Universal Systems, Inc.

On August 13th, 2021, Andrew Lane appointed Juan Diego Turrubiarres as Director of Universal Systems, Inc.

On September 21, 2021, Universal Systems, Inc., filed an amendment with the State of Washington, pursuant to Washington CORP § 307 for the creation of 100 shares of Special 2021 Series A Preferred stock shares, and 2 shares of Special 2021 Series B Preferred stock shares.

On October 15th, 2021, Universal Systems, Inc. filed an amendment with the State of Washington to increase the authorize shares available to 1,000,000,000 common shares.

The address(es) of the issuer's principal executive office:

30 N Gould St Ste N, Sheridan, WY 82801

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

The address(es) of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

N/A

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

N/A

2) Security Information

Transfer Agent

Name: Standard Registrar and Transfer Company
Phone: 801-571-8844
Email: amy@standardregistrar.com
Address: 440 East 400 South, Salt Lake City, Utah 84111

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	<u>UVSS</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>911361103</u>	
Par or stated value:	<u>.001</u>	
Total shares authorized:	<u>500,000,000</u>	as of date: <u>3/31/23</u>
Total shares outstanding:	<u>286,049,052</u>	as of date: <u>3/31/23</u>
Total number of shareholders of record:	<u>150</u>	as of date: <u>3/31/23</u>

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol:	<u>N/A</u>	
Exact title and class of securities outstanding:	<u>None</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>N/A</u>	
Total shares authorized:	<u>N/A</u>	as of date: <u></u>
Total shares outstanding:	<u>NA</u>	as of date: <u></u>
Total number of shareholders of record:	<u>N/A</u>	as of date: <u></u>

Trading symbol: N/A

Exact title and class of securities outstanding:	<u>N/A</u>
CUSIP:	<u>N/A</u>
Par or stated value:	<u>N/A</u>
Total shares authorized:	<u>N/A</u> as of date:
Total shares outstanding:	<u>N/A</u> as of date:
Total number of shareholders of record:	<u>N/A</u> as of date:

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>Special 2021 Series A Preferred</u>
CUSIP (if applicable):	<u>N/A</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>100</u> as of date: <u>3/31/23</u>
Total shares outstanding (if applicable):	<u>100</u> as of date: <u>3/31/23</u>
Total number of shareholders of record (if applicable):	<u>1</u> as of date: <u>3/31/23</u>

Exact title and class of the security:	<u>Special 2021 Series B Preferred</u>
CUSIP (if applicable):	<u>N/A</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>2</u> as of date: <u>3/31/23</u>
Total shares outstanding (if applicable):	<u>2</u> as of date: <u>3/31/23</u>
Total number of shareholders of record (if applicable):	<u>0</u> as of date: <u>3/31/23</u>

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

None

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

(100) Special 2021 Series A Preferred Share convertible at 1 to 10,000,000 common shares, and super voting rights of 60% of all votes.

(2) Special 2021 Series B Preferred Share convertible at 4.99% of outstanding common shares at the date of conversion.

3. **Describe any other material rights of common or preferred stockholders.**

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date <u>12/31/2020</u> Common: <u>246,049,052</u> Preferred: <u>0</u>									
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>07/22/2021</u>	<u>New Issuance</u>	<u>100</u>	<u>Special 2021 Series A Preferred</u>	<u>.001</u>	<u>No</u>	<u>Synergy Management Group, LLC, controlled by Benjamin Berry</u>	<u>Custodian Services</u>	<u>Exempt</u>	<u>Exempt</u>
<u>07/22/2021</u>	<u>Private Sales of Existing Preferred Shares</u>	<u>0</u> <u>*See Note 1</u>	<u>Special 2021 Series A Preferred</u>	<u>.001</u>	<u>No</u>	<u>MKH Ventures, LLC., controlled by Samuel Barraza</u>	<u>Private Sale from Custodian</u>	<u>Restricted</u>	<u>Exempt</u>
<u>9/15/2021</u>	<u>Change In Control</u>	<u>0</u> <u>*See Note 2</u>	<u>Special 2021 Series A Preferred</u>	<u>.001</u>	<u>No</u>	<u>Critical Solutions, Inc. controlled by</u>	<u>Consolidation of MKH Ventures to</u>	<u>Restricted</u>	<u>Exempt</u>

						<u>Samuel Barraza</u>	<u>Parent Company</u>		
<u>3/17/2022</u>	<u>New Issuance</u>	<u>10,000,000</u>	<u>Common Stock</u>	<u>.001</u>	<u>No</u>	<u>Valdom, LLC, controlled by Alessandro Patti</u>	<u>Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>3/17/2022</u>	<u>New Issuance</u>	<u>10,000,000</u>	<u>Common Stock</u>	<u>.001</u>	<u>No</u>	<u>Room 21 Media, Controlled by John Stippick</u>	<u>Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>3/17/2022</u>	<u>New Issuance</u>	<u>10,000,000</u>	<u>Common Stock</u>	<u>.001</u>	<u>No</u>	<u>Andrew Thomas Lane</u>	<u>Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
<u>3/17/2022</u>	<u>New Issuance</u>	<u>10,000,000</u>	<u>Common Stock</u>	<u>.001</u>	<u>No</u>	<u>Robert E. Munck</u>	<u>Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
Shares Outstanding on Date of This Report:									
	<u>Ending</u>	<u>Balance</u>							
<u>Ending Balance:</u>									
Date <u>3/31/23</u>	Common: <u>286,049,052</u> Preferred: <u>102</u>								

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

Note 1: On July 22nd, 2021, MKH Ventures, LLC., a Nevada Limited Liability Company, entered into an agreement with Synergy Management Group, LLC, a Wyoming Limited Liability Company for the acquisition of Universal Systems, Inc., a Washington Corporation, in exchange for one hundred (100) Special 2021 Series A Preferred Shares, and 60% super voting rights of Universal Systems, Inc.

On September 21, 2021, Universal Systems, Inc., filed an amendment with the State of Washington, pursuant to Washington CORP § 307 for the creation of 100 shares of Special 2021 Series A Preferred stock shares, and 2 shares of Special 2021 Series B Preferred stock shares. The Special 2021 Series B Preferred shares are only authorized, have not been issued, and are currently not outstanding.

Note 2: On 09/15/2021, as a part of the consolidation of assets of MKH Ventures, LLC. to Critical Solutions, Inc., the one hundred (100) Special 2021 Series A Preferred Shares, and 60% super voting rights of Universal Systems, Inc., was transferred to Critical Solutions, Inc.

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. <small>*You must disclose the control person(s) for any entities listed.</small>	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations. (Please ensure that these descriptions are updated on the Company’s Profile on www.otcmarkets.com).

A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

Universal Systems, Inc., is a multi-media production company that provides brand influence to the consumer through film, television, and products.

B. List any subsidiaries, parent company, or affiliated companies.

Parent Company- MKH Ventures, LLC./Critical Solution, Inc., OTCBB Pink: CSLI

C. Describe the issuers’ principal products or services.

Universal Systems, Inc., produces music, film, and provides brand influence services.

5) Issuer’s Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Universal Systems, Inc., utilizes facilities in Burbank, California to produce music and film projects.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Powell Water Systems, Inc. (Controlled by Scott W. Powell)</u>	<u>Owner of more than 5%</u>	<u>Aurora, Colorado</u>	<u>90,000,000</u>	<u>Common Restricted (60,000,000)</u> <u>Common Unrestricted (30,000,000)</u>	<u>31.46</u>	<u>N/A</u>
<u>Scott W. Powell</u>	<u>Controls Powell Water, Inc., owner of more than 5%</u>	<u>Centennial, Colorado</u>	<u>11,075,000</u>	<u>Common Restricted</u>	<u>3.87%</u>	Scott W. Powell controls Powell Water Systems, Inc., which owns 36.578% of the common shares outstanding. As an individual shareholder, and controller of Powell Water Systems, Inc., Scott W. Powell controls 41.079% of the common shares outstanding combined.
<u>Benjamin Berry</u>	<u>Court Appointed Custodian</u>	<u>Sheridan, Wyoming</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	On April 16th, 2021, Benjamin Berry was <u>appointed as receiver/custodian of the entity Universal Systems, Inc.</u>
<u>Andrew Lane</u>	<u>President/CEO/ Secretary</u>	<u>Bellflower, California</u>	<u>10,000,000</u>	<u>N/A</u>	<u>3.50%</u>	<u>Andrew Lane was elected President/CEO of Universal Systems,</u>

						<u>Inc., on July 22nd, 2021.</u>
<u>Robert E. Munck</u>	<u>Vice-President</u>	<u>Aliso Viejo, California</u>	<u>10,000,000</u>	<u>N/A</u>	<u>3.50%</u>	<u>Robert E. Munck was elected Vice-President of Universal Systems, Inc., on August 13th, 2021.</u>
<u>Critical Solutions, Inc., Controlled by Samuel A. Barraza</u>	<u>Control Person</u>	<u>Sheridan, WY</u>	<u>100</u>	<u>Special 2021 Series A Preferred</u>	<u>100%</u>	<u>The 100 shares of Special 2021 Series A Preferred shares were assigned to Critical Solutions, Inc.</u>

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

N/A

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

N/A

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

N/A

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

N/A

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

N/A

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Donald Keer
Address 1: 3663 Greenwood Circle
Address 2: Chalfont, PA 18914
Phone: 215-962-9378
Email: keeresq@gmail.com

Accountant or Auditor

Name: N/A
Firm: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

Investor Relations

Name: N/A
Firm: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

All other means of Investor Communication:

Twitter: https://twitter.com/Digi_Distro
Discord: N/A
LinkedIn: <https://www.linkedin.com/company/digital-distro>
Facebook: N/A
[Other] N/A

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: N/A
Firm: N/A
Nature of Services: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

9) Financial Statements

A. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

B. The following financial statements were prepared by (name of individual)²:

Name: Andrew Lane
Title: President
Relationship to Issuer: President

Describe the qualifications of the person or persons who prepared the financial statements:
President/CEO/Secretary

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

Important Notes:

- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- All financial statements for a fiscal period must be published together with the disclosure statement in one Annual or Quarterly Report.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Andrew Lane certify that:

1. I have reviewed this Disclosure Statement for Universal Systems, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

5/11/2023 [Date]

/s/ Andrew Lane [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Andrew Lane certify that:

1. I have reviewed this Disclosure Statement for Universal Systems, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

5/11/2023 [Date]

/s/ Andrew Lane [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

UNIVERSAL SYSTEMS, INC.
CONSOLIDATED BALANCE SHEETS
UNAUDITED

	March 31, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash	\$ 31,202	\$ 35,175
Total Current Assets	31,202	35,175
Total Assets	\$ 31,202	\$ 35,175
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 8,120	\$ 8,120
Total Current Liabilities	8,120	8,120
Total Liabilities	8,120	8,120
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, \$0.001 par value, 100 shares authorized; 100 shares issued and outstanding	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized; 286,049,052	286,049	286,049
Common stock to be issued	20,000	20,000
Additional paid-in capital	1,990,000	1,990,000
Accumulated deficit	(2,272,967)	(2,268,994)
Total Stockholders' Equity	23,082	27,055
Total Liabilities and Stockholders' Equity	\$ 31,202	\$ 35,175

The accompanying notes are an integral part of these unaudited consolidated financial statements.

UNIVERSAL SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	For the Three Months Ended	
	March 31, 2023	March 31, 2022
Revenue	\$ -	\$ -
Cost of Revenue	-	-
Gross Profit	-	-
Operating Expenses		
General and administrative	3,973	8,120
Total Operating Expenses	3,973	8,120
Other Income (Expense)		
Total Other Income (Expense)	-	-
Loss before Income Taxes	(3,973)	(8,120)
Provision for Income Tax	-	-
Net Loss	\$ (3,973)	\$ (8,120)
Loss per Share - Basic and Diluted	\$ (0.00)	\$ (0.00)
Weighted Average Shares Outstanding - Basic and Diluted	286,049,052	246,049,052

The accompanying notes are an integral part of these unaudited consolidated financial statements.

UNIVERSAL SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three Months Ended March 31, 2023
UNAUDITED

	Preferred Stock		Common Stock		Common Stock to be issued		Additional	Accumulated	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Stockholders' Equity
Balance - December 31, 2022	100	\$ -	286,049,052	\$ 286,049	20,000,000	\$ 20,000	\$ 1,990,000	\$ (2,268,994)	\$ 27,055
Net income (loss)	-	-	-	-	-	-	-	(3,973)	(3,973)
Balance - March 31, 2023	<u>100</u>	<u>\$ -</u>	<u>286,049,052</u>	<u>\$ 286,049</u>	<u>20,000,000</u>	<u>\$ 20,000</u>	<u>\$ 1,990,000</u>	<u>\$ (2,272,967)</u>	<u>\$ 23,082</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

UNIVERSAL SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
For the Three Months Ended March 31, 2022
UNAUDITED

	Preferred Stock		Common Stock		Common Stock to be issued		Additional	Accumulated	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Stockholders' Equity (Deficit)
Balance - December 31, 2021	0	\$ 0	246,049,052	\$ 246,049	0	\$ 0	\$ 1,200,000	\$ (1,446,049)	\$ 0
Net loss	0	0	0	0	0	0	0	(8,120)	(8,120)
Balance – March 31, 2022	<u>0</u>	<u>\$ 0</u>	<u>246,049,052</u>	<u>\$ 246,049</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 1,200,000</u>	<u>\$ (1,454,169)</u>	<u>\$ (8,120)</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

UNIVERSAL SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended	
	March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (3,973)	\$ (8,120)
Adjustment to reconcile net loss to net cash used in operating activities:		
Common stock issued for services	-	-
Changes in Operating Assets and Liabilities:		
Increase (Decrease) in accrued liabilities	-	8,120
Net Cash Used in Operating Activities	<u>(3,973)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from sale of common stock	-	-
Net Cash Provided By Financing Activities	<u>-</u>	<u>-</u>
Net (Decrease) Increase in Cash	(3,973)	-
Cash - Beginning of the Period	35,175	-
Cash - End of the Period	<u>\$ 31,202</u>	<u>\$ -</u>
Supplemental Disclosures of Cash Flows		
Cash paid for Interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

UNIVERSAL SYSTEMS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three Months Ended March 31, 2023
(UNAUDITED)

NOTE 1 - NATURE OF BUSINESS

ORGANIZATION

On April 16th, 2021, Benjamin Berry was appointed the Court Appointed Custodian/Receiver of Universal Systems, Inc., by the Clark County Superior Court of Washington by Case Number 2120043106.

Previously, Universal Systems, Inc., (the “Company”) formerly known as Berry Shino Securities of Washington, Inc., changed its name to New Century Industries, Inc. On July 21st, 2003, Berry Shino Securities of Washington, Inc., changed its name to New Century Industries, Inc. On October 27th, 2003, the New Century Industries, Inc., changed its name to New Century Metals Corporation. On November 18th, 2003, New Century Metals Corporation changed its name to Universal Systems, Inc., and began focusing its operational efforts as a full-service wastewater treatment service provider for the oil industry.

On July 22nd, 2021 Benjamin Berry resigned, and Andrew Lane was appointed as President/CEO of the Company.

On July 22nd, 2021, MKH Ventures, LLC., a Nevada Limited Liability Company, entered into an agreement with Synergy Management Group, LLC, a Wyoming Limited Liability Company for the acquisition of Universal Systems, Inc., a Washington Corporation, in exchange for one hundred (100) Special 2021 Series A Preferred Shares, and 60% super voting rights of Universal Systems, Inc.

On September 15th, 2021, as part of the consolidation of assets of MKH Ventures, LLC., Critical Solutions, Inc., was assigned one hundred (100) Special 2021 Series A Preferred Shares, and 60% super voting rights of Universal Systems, Inc.

On September 21st, 2021, Universal Systems, Inc., filed an amendment with the State of Washington, pursuant to Washington CORP § 307 for the creation of 100 shares of Special 2021 Series A Preferred stock shares, and 2 shares of Special 2021 Series B Preferred stock shares. The Special 2021 Series B Preferred shares are only authorized, have not been issued, and are not currently outstanding.

The Company currently has no operations.

BASIS OF PRESENTATION

The Company has not earned any revenues from limited principal operations. Accordingly, the Company’s activities have been accounted for as those of a “Development Stage Enterprise” as set forth in Financial Accounting Standards Board Statement No. 7 (“SFAS 7”). Among the disclosures required by SFAS 7 are that the Company’s financial statements be identified as those of a development stage company, and that the statements of operations, stockholders’ equity (deficit) and cash flows disclose activity since the date of the Company’s inception.

BASIS OF ACCOUNTING

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. All intercompany transactions have been eliminated.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

GOING CONCERN

The Company's consolidated financial statements are prepared using the GAAP applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. At March 31, 2023 and December 31, 2022, the Company had \$31,202 and \$35,175 in cash and \$23,082 in working capital at March 31, 2023 and \$27,055 in working capital at December 31, 2022. For the three months ended March 31, 2023 and 2022, the Company had a net loss of \$3,973 and \$8,120, respectively. Continued losses may adversely affect the liquidity of the Company in the future.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash equivalents include demand deposits, money market funds, and all highly liquid debt instruments with original maturities of three months or less.

FINANCIAL INSTRUMENTS

The FASB issued ASC 820-10, *Fair Value Measurements and Disclosures*, for financial assets and liabilities. ASC 820-10 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. ASC 820-10 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: 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 for substantially the full term of the related assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

CONCENTRATIONS AND CREDIT RISKS

The Company's financial instruments that are exposed to concentrations and credit risk primarily consist of its cash, sales and accounts receivable.

Cash - The Company places its cash and cash equivalents with financial institutions of high credit worthiness. At times, its cash and cash equivalents with a particular financial institution may exceed any applicable government insurance limits. The Company's management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

INCOME TAXES

The Company accounts for income taxes under ASC 740, *Income Taxes*. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. Deferred tax assets or liabilities were offset by a 100% valuation allowance, therefore there has been no recognized benefit as of the three months ended March 23, 2023 and 2022, respectively. Further it is unlikely with the change of control that the Company will have the ability to realize any future tax benefits that may exist.

COMMITMENTS AND CONTINGENCIES

The Company follows ASC 450-20, *Loss Contingencies*, to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

EARNINGS PER SHARE

Net income (loss) per share is calculated in accordance with ASC 260, *Earnings Per Share*. The weighted-average number of common shares outstanding during each period is used to compute basic earnings or loss per share. Diluted earnings or loss per share is computed using the weighted average number of shares and diluted potential common shares outstanding. Dilutive potential common shares are additional common shares assumed to be exercised.

Basic net income (loss) per common share is based on the weighted average number of shares of common stock outstanding on March 31, 2023 and 2022, respectively. Due to net operating loss, there is no presentation of dilutive earnings per share, as it would be anti-dilutive.

RECENT ACCOUNTING PRONOUNCEMENTS

We have reviewed all the recently issued, but not yet effective, accounting pronouncements and we do not believe any of these pronouncements will have a material impact on the Company.

On August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815)*, which changes both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results, to better align an entity's risk management activities and financial reporting for hedging relationships. The amendments expand and refine hedge accounting for both nonfinancial and financial risk components and align the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. FASB ASU No. 2017-12 is effective for annual reporting periods beginning after December 15, 2018, including interim periods within those annual reporting periods, with early adoption permitted. We are still evaluating the impact that this guidance will have on our financial position or results of operations, and we have not yet determined whether we will early adopt FASB ASU No. 2017-12.

RECENT ACCOUNTING PRONOUNCEMENTS (continued)

On March 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-09, Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. This guidance changes how companies account for certain aspects of share-based payments to employees. Among other things, under the new guidance, companies will no longer record excess tax benefits and certain tax deficiencies in additional paid-in-capital (“APIC”) but will instead record such items as income tax expense or benefit in the income statement, and APIC pools will be eliminated. Companies will apply this guidance prospectively. Another component of the new guidance allows companies to make an accounting policy election for the impact of forfeitures on the recognition of expense for share-based payment awards, whereby forfeitures can be estimated, as required today, or recognized when they occur. If elected, the change to recognize forfeitures when they occur needs to be adopted using a modified retrospective approach. All the guidance will be effective for the Company in the fiscal year beginning January 1, 2018. Early adoption is permitted. The Company is currently evaluating the impact of this guidance, if any, on its financial statements and related disclosures.

On February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which establishes new accounting and disclosure requirements for leases. FASB ASU No. 2016-02 requires lessees to classify most leases as either finance or operating leases and to initially recognize a lease liability and right-of-use asset. Entities may elect to account for certain short-term leases (with a term of 12 months or less) using a method like the current operating lease model. The statements of operations will include, for finance leases, separate recognition of interest on the lease liability and amortization of the right-of-use asset and for operating leases, a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a straight-line basis. While we are in the early stages of our implementation process for FASB ASU No. 2016-02, and have not yet determined its impact on our financial position or results of operations, these leases would potentially be required to be presented on the balance sheet in accordance with the requirements of FASB ASU No. 2016-02. FASB ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2018, including interim periods within those annual reporting periods, with early adoption permitted. FASB ASU No. 2016-02 must be applied using a modified retrospective approach, which requires recognition and measurement of leases at the beginning of the earliest period presented, with certain practical expedients available.

On July 2015, the FASB issued ASU No. 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory. The guidance requires an entity to measure inventory at the lower of cost or net realizable value, which is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation, rather than the lower of cost or market in the previous guidance. This amendment applies to inventory that is measured using first-in, first-out (FIFO). This amendment is effective for public entities for fiscal years beginning after December 15, 2016, including interim periods within those years. A reporting entity should apply the amendments prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Company is currently evaluating the impact of this guidance, if any, on its financial statements and related disclosures.

On May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (“ASU 2014-09”), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. generally accepted accounting principles when it becomes effective. In July 2015, the FASB deferred the effective date of the standard by an additional year; however, it provided companies the option to adopt one year earlier, commensurate with the original effective date. Accordingly, the standard will be effective for the Company in the fiscal year beginning January 1, 2018, with an option to adopt the standard for the fiscal year beginning January 1, 2017. The Company is currently evaluating this standard and has not yet selected a transition method or the effective date on which it plans to adopt the standard, nor has it determined the effect of the standard on its financial statements and related disclosures.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

Risks and Uncertainties

The Company's operations are subject to significant risks and uncertainties including financial, operational, and regulatory risks, including the potential risk of business failure.

The Company has entered no contracts during the year as follows:

Legal and other matters

In the normal course of business, the Company may become a party to litigation matters involving claims against the Company. The Company's management is unaware of any pending or threatened assertions and there are no current matters that would have a material effect on the Company's financial position or results of operations.

NOTE 4 - EQUITY

During the year ending December 31, 2022, the Company issued 40,000,000 shares of common stock for services, valued at \$796,000.

During the year ending December 31, 2022, the Company sold 20,000,000 shares of common stock for aggregate proceeds of \$54,000. As of December 31, 2022, the shares have not been issued.

NOTE 5 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of filing the consolidated financial statements with OTC Markets, the date the consolidated financial statements were available to be issued. Management is not aware of any significant events that occurred after the balance sheet date that would have a material effect on the consolidated financial statements thereby requiring adjustment or disclosure, other than those noted below: