

**NITCHES, INC.**

**Index to the Financial Statements**

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**Report of Independent Registered Public Accounting Firm  
To the shareholders and the board of directors of Nitches, Inc.**

***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of **Nitches, Inc** (the "Company") as of August 31, 2021, and the related consolidated statements of operations, changes in shareholders' equity and cash flows, for each of the two years in the period ended August 31, 2021, and the related notes collectively referred to as the "financial statements."

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2021, and 2020, and the results of its operations and its cash flows for the year ended August 31, 2021, in conformity with U.S. generally accepted accounting principles.

**Going Concern**

The accompanying financial statements have been prepared assuming the company will continue as a going concern as disclosed in Note 3 to the financial statement, the Company has continuously incurred a net loss of \$19,180,001 for the year ended August 31, 2021, and an accumulated deficit of \$29,247,001 at August 31, 2021. The continuation of the Company as a going concern through August 31, 2021, is dependent upon improving the profitability and the continuing financial support from its stockholders. Management believes the existing shareholders or external financing will provide the additional cash to meet the Company's obligations as they become due.

These factors raise substantial doubt about the company ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of the uncertainty.

***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. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion

**OLAYINKA OYEBOLA & CO.**  
**(Chartered Accountants)**

We have served as the Company's auditor since October 2021.  
**November 22<sup>nd</sup>, 2021.**

**NITCHES, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	<u>August 31, 2021</u>	<u>August 31, 2020</u>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash	\$ 1,354	\$ -
Total current assets	<u>1,354</u>	<u>-</u>
Total Assets	<u>\$ 1,354</u>	<u>\$ -</u>
<b><u>LIABILITIES AND STOCKHOLDER'S EQUITY(DEFICIT)</u></b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 46,800	\$ 7,000
Notes Payables	<u>141,555</u>	<u>-</u>
Total liabilities	<u>188,355</u>	<u>7,000</u>
Stockholders' Equity (Deficit):		
Preferred Stock, Series A par Value \$0.001, 1 and Nil authorized and 1 and Nil issued and outstanding as of August 31, 2021 and 2020 respectively	-	-
Common stock, par value \$0.001 per share, 300,000,000 and 50,000,000 shares authorized; 105,659,644 and 5,659,644 shares issued and outstanding as of August 31, 2021, and 2020, respectively	105,659	5,659
Additional paid-in capital	28,954,341	10,054,341
Accumulated deficit	<u>(29,247,001)</u>	<u>(10,067,000)</u>
Total stockholders' equity (deficit)	<u>(187,001)</u>	<u>(7,000)</u>
Total Liabilities and Stockholder's Equity (Deficit)	<u>\$ 1,354</u>	<u>\$ -</u>

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

**NITCHES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	<u>Year Ended August 31, 2021</u>	<u>Year Ended August 31, 2020</u>
<b>Revenue</b>	\$ -	\$ -
<b>Cost of revenue</b>	<u>-</u>	<u>-</u>
<b>Gross profit</b>	-	-
<b>Operating Expenses:</b>		
General and administrative	14,173,971	6,000
Beneficial Conversion Feature	<u>5,000,000</u>	<u>-</u>
Total operating expenses	<u>19,173,971</u>	<u>6,000</u>
<b>Income (Loss) from Operations</b>	(19,173,971)	(6,000)
<b>Other Income/ (Expense)</b>	<u>(6,030)</u>	<u>-</u>
<b>Income (loss) before income tax provision</b>	(19,180,001)	(6,000)
<b>Income tax provision</b>	<u>-</u>	<u>-</u>
<b>Net Income (Loss)</b>	<u>\$ (19,180,001)</u>	<u>\$ (6,000)</u>
<b>Net Loss Per Common Share:</b>		
Net Loss per common share - Basic and Diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
<b>Outstanding - Basic and Diluted</b>	105,659,644	5,659,644

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

**NITCHES, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY**

	Preferred Stock		Common Stock		Additional	Accumulated	
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Total
Balance, September 1, 2019	-	\$ -	5,659,644	\$ 5,659	\$ 10,054,341	\$ (10,061,000)	\$ 1,051,238
Net Loss for the year 2020	-	-	-	-	-	(6,000)	(6,000)
Balance, August 31, 2020	-	-	5,659,644	5,659	10,054,341	(10,067,000)	(7,000)
Balance, September 1, 2020	-	\$ -	5,659,644	\$ 5,659	\$ 10,054,341	\$ (10,067,000)	\$ (7,000)
Net Loss for the Period	-	-	-	-	-	(19,180,001)	(19,180,001)
Preferred Stock Issued	1	-	-	-	5,000,000	-	5,000,000
Common stock issued	-	-	100,000,000	100,000	13,900,000	-	13,900,000
Balance, August 31, 2021	<u>1</u>	<u>\$ -</u>	<u>105,659,644</u>	<u>\$ 105,659</u>	<u>\$ 28,954,341</u>	<u>\$ (29,247,001)</u>	<u>\$ (187,001)</u>

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

**NITCHES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Year Ended August 31, 2021</b>	<b>Year Ended August 31, 2020</b>
<b>Operating Activities:</b>		
Net loss	\$ (19,180,001)	\$ (6,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Cancellation of debt and common shares	-	-
Services paid in stock	14,000,000	-
Beneficial Conversion Feature	5,000,000	-
Finance Cost	6,055	-
Changes in Operating Assets and Liabilities-		
Accounts payable and accrued liabilities	39,800	6,000
Clients' deposits	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(134,146)</b>	<b>-</b>
<b>Investing Activities:</b>		
Acquisition of property and equipment	-	-
Disposal of Property and equipment	-	-
<b>Net Cash Used in Investing Activities</b>	<b>-</b>	<b>-</b>
<b>Financing Activities:</b>	<b>(6,055)</b>	
Finance Cost	141,555	
Proceed from Repayment of debt instrument	135,500	-
<b>Net Cash Provided by Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Change in Cash</b>	<b>1,354</b>	<b>-</b>
<b>Cash - Beginning of Period</b>	<b>-</b>	<b>-</b>
<b>Cash - End of Period</b>	<b>\$ 1,354</b>	<b>\$ -</b>
Cash paid during the period for:		
Interest	\$ -	\$ -
Income tax paid	\$ -	\$ -
<b>Non-Cash Financing and Investing Activities:</b>		
Restricted common stock canceled, and proceeds contributed to capital	\$ -	\$ -
Issuance of 100,000,000 shares for officer's compensation at par	\$ 14,000,000	\$ -

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

**NITCHES, INC.**  
**NOTES TO THE AUGUST 31, 2021, AND 2020 CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 – Organization and Operations**

The accompanying consolidated financial statements include Nitches, Inc. ('NICH' or the 'Company'), a Nevada corporation, its wholly-owned subsidiaries and any majority controlling interests.

The Company was founded originally as a California corporation as a wholesale importer and distributor of clothing, home décor and tabletop products manufactured to our specifications and distributed in the United States under our brand labels and retailer-owned private labels. The Company moved jurisdiction to Nevada in 2008.

On November 5, 2020, International Ventures Society, LLC, a Nevada limited liability company, was appointed custodian of the Company pursuant to an Order of District Court of Clark County, Nevada. On November 6, the Company adopted amended Articles of Incorporation, which created the 2020 Series A Preferred Stock, with one share authorized. This one share effectively controls the Company by representing no less than 60% of all combined votes of Common and Preferred Stock at any time and was issued to International Ventures Society LLC on the same day.

On December 16, 2020, International Ventures Society, LLC sold the one outstanding share of 2020 Series A Preferred Stock to Accelerate Global Market Solutions, a change of control transactions that resulted in John Morgan becoming CEO.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying financial statements have been prepared for Nitches, Inc. in accordance with accounting principles generally accepted in the United States of America (US GAAP).

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation of the financial statements have been included. The financial statements include acquired subsidiaries, as discussed below, and include all consolidation entries required to include those subsidiaries.

**Use of Estimates**

The preparation of financial statements in conformity with 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 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 the Balance Sheet and Statement of Cash Flows, all highly liquid investments with maturity of three months or less are considered to be cash equivalents. The Company had no cash equivalents as of August 31, 2021 or 2020.

**Income Taxes**

Income taxes are provided in accordance with the FASB Accounting Standards (ASC 740), Accounting for Income Tax. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Any deferred tax expense (benefit) resulting from the net change during the year is shown as deferred tax assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it was more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

### **Basic and Diluted Net Income (Loss) Per Share**

Net income (loss) per unit is calculated in accordance with Codification topic 260, "Earnings per Share" for the periods presented. Basic net loss per share is computed using the weighted average number of common shares outstanding. Diluted loss per share has not been presented because the shares of common stock equivalents have not been included in the per share calculations as such inclusion would be anti-dilutive. Diluted earnings per share is based on the assumption that all dilutive stock options, warrants and convertible debt are converted or exercised applying the treasury stock method. Under this method, options, warrants and convertible debt are assumed exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase shares of common stock at the average market price during the period. Options, warrants and/or convertible debt will have a dilutive effect during periods of net profit only when the average market price of the units during the period exceeds the exercise or conversion price of the items.

### **Stock Based Compensation**

Codification topic 718 "Stock Compensation" requires that the cost resulting from all share-based transactions be recorded in the financial statements and establishes fair value as the measurement objective for share-based payment transactions with employees and acquired goods or services from non-employees. The codification also provides guidance on valuing and expensing these awards, as well as disclosure requirements of these equity arrangements. The Company adopted the codification upon creation of the Company and will expense share-based costs in the period incurred. The Company has not yet adopted a stock option plan and all share-based transactions and share based compensation has been expensed in accordance with the codification guidance.

### **Convertible Instruments**

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for "Accounting for Derivative Instruments and Hedging Activities". Professional standards generally provide three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free-standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instruments are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as "The Meaning of Conventional Convertible Debt Instrument".

The Company accounts for convertible instruments when it has determined that the embedded conversion options should not be bifurcated from their host instruments in accordance with professional standards when "Accounting for Convertible Securities with Beneficial Conversion Features," as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying shares of common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares of common stock based upon the differences between the fair value of the underlying shares at the commitment date of the note transaction and the effective conversion price embedded in the note.



ASC 815-40 provides that, among other things, generally, if an event not within the entity's control could require net cash settlement, then the contract shall be classified as an asset or a liability.

### **Fair Value of Financial Instruments**

We adopted the guidance of ASC-820 for fair value instruments, which clarifies the definition of fair value, prescribes methods for determining fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value, as follows:

Level 1	Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.
Level 2	Inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.
Level 3	Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts for cash, accounts receivable, accounts payable and accrued expenses, and loans payable approximate their fair value based on the short-term maturity of these instruments. We did not identify any assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with the accounting guidance.

ASC 825-10 "Financial Instruments" allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (fair value option). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable, unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. We did not elect to apply the fair value option to any outstanding instruments.

### **Derivative Liabilities**

Derivative financial instruments consist of convertible instruments and rights to shares of the Company's common stock. The Company assessed that it had derivative financial instruments as of August 31, 2021, as detailed in Note 11, Derivative Liabilities.

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirement of ASC 815. ASC 815 also provides an exception to this rule when the host instrument is deemed to be conventional, as described.

### **Impact of New Accounting Standards**

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flow.

### **Note 3 – Going Concern**

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Currently, the Company does not have significant cash or other material assets, nor does it have operations or a source of revenue sufficient to cover its operation costs and allow it to continue as a going concern.

The Company has a limited operating history and had a cumulative net loss from inception to August 31, 2021 of \$29,247,001. The Company has a working capital deficit of \$187,001 as at August 31, 2021.

These financial statements for the year ended August 31 2021 have been prepared assuming the Company will continue as a going concern, which is dependent upon the Company's ability to generate future profits and/or obtain necessary financing to meet its obligations as they come due.

The management has committed to an aggressive growth plan for the Company. The Company's future operations are dependent upon external funding and its ability to execute its business plan, realize sales and control expenses. Management believes that sufficient funding will be available from additional borrowings and private placements to meet its business objectives including anticipated cash needs for working capital, for a reasonable period of time. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue the development of its business operation, or if obtained, upon terms favorable to the Company.

**Note 4 – Loans and Other Note Payable**

Description	Principal Amount	Interest Rate	Date of Loan Note	Maturity Date	August 31, 2021
World Market Ventures convertible secured promissory note; conversion price of \$0.00001; holder may opt to convert outstanding principal and interest immediately, at any time	\$ 35,000	9.0%	12/28/2020	6/28/2021	\$ 37,123
World Market Ventures convertible secured promissory note; conversion price of \$0.00001;holder may opt to convert outstanding principaland interest immediately, at any time	\$ 58,000	9.0%	1/8/2021	7/8/2021	\$ 61,361
World Market Ventures convertible secured promissory note; conversion price of \$0.00001;holder may opt to convert outstanding principaland interest immediately, at any time	\$ 20,000	0.0%	5/10/2021	11/20/2021	\$ 20,000
World Market Ventures convertible secured promissory note; conversion price of \$0.00001;holder may opt to convert outstanding principaland interest immediately, at any time	\$ 22,500	9.0%	5/20/2021	11/20/2021	\$ 23,071
Total					\$ 141,555
Long-term total					\$ -
Short-term total					\$ 141,555

**NOTE 4. CAPITAL STOCK**

The Company is a Nevada corporation with shares of preferred and common stock authorized and issued. As at August 31, 2021, theCompany was authorized to issue preferred and common stock as detailed below.

**Preferred Stock**

On November 6, 2020, the Company adopted amended Articles of Incorporation, which created the 2020 Series A Preferred Stock, with one share authorized with a par value of \$0.001. This one share effectively controls the Company by representing no less than 60% of all combined votes of Common and Preferred Stock at any time. This one share is also convertible into 100,000,000 shares of common stock atany time.

On November 6, 2020, in accordance with a Court Order, the Company issued the one authorized share of 2020 Series A Preferred Stock toits legally appointed Custodian, International Ventures Society, LLC.

On December 16, 2020, International Venture Society, LLC sold the one share of issued and outstanding 2020 Series A Preferred Stock to Accelerate Global Market Solutions for a total of \$55,000, resulting in a change of control.

As at August 31, 2021, the Company was authorized to issue 1 share of preferred stock with \$0.001 par value and had 1 shares of preferredstock issued and outstanding.

## **Common Stock**

As at August 31, 2021, the Company was authorized to issue 300,000,000 shares of common stock with \$0.001 par value.

At August 31, 2019, the Company had 5,659,644 shares of common stock issued and outstanding.

On August 3, 2021 the Company issued 100,000,000 shares of Common to John Morgan, CEO Services \$14,000,000, a price of \$.140 pershare.

As at August 31, 2021, there were 105,659,644 shares of common stock issued and outstanding.

## **NOTE 5. DERIVATIVE LIABILITIES**

The Company applies the provisions of ASC Topic 815-40, Contracts in Entity's Own Equity ("ASC Topic 815-40"), under which convertible instruments, which contain terms that protect holders from declines in the stock price (reset provisions), may not be exempt from derivative accounting treatment. As a result, embedded conversion options in convertible debt are recorded as a liability and are revalued at fair value at each reporting date. If the fair value of the note exceeds the face value of the related debt, the excess is recorded as change in fair value in operations on the issuance date.

As at November 6, 2020, the Company identified an embedded derivative liability as a Beneficial Conversion Feature of the 2020 Series A Preferred Stock. This was evaluated as \$5,000,000, based on conversion of one share of preferred stock into 100,000,000 shares of Common Stock and the price of shares of common stock of \$0.05, posted to Additional Paid-in Capital and as a loss to the Statement of Operations.

## **NOTE 6. INCOME TAXES**

The Company uses the assets and liability method of accounting for income taxes pursuant to SFAS No. 109 "Accounting for Income Taxes". Under the assets and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary 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.

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes." Specifically, the pronouncement prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken from year ended December 31, 2015 tax return onwards. The interpretation also provides guidance on the related derecognition, classification, interest and penalties, accounting for interim periods, disclosure and transition of uncertain tax positions. The Company adopted this interpretation effective on inception.

For the year ended August 31, 2021, the Company had available for US federal income tax purposes net operating loss carryovers of \$29,247,001, all of which will expire by 2040.

The Company has provided a full valuation allowance against the full amount of the net operating loss benefit, since, in the opinion of management, based upon the earnings history of the Company, it is more likely than not that the benefits will not be realized.

	August 31, 2021	August 31, 2020
Federal income tax benefit attributable to:		
Statutory income tax rate	\$ 21%	\$ 21%
Less: valuation allowance	(21%)	(21%)
Net provision for Federal income taxes	\$ —	\$ —

Deferred income taxes result from temporary differences in the recognition of income and expenses for financial reporting purposes and for tax purposes. The tax effect of these temporary differences representing deferred tax assets result principally from the following

	August 31, 2021	August 31, 2020
Deferred tax asset attributable to:		
Net operating loss carryover	\$ (29,247,001)	\$(29,247,001)
Less: valuation allowance	29,247,001	29,247,001
Net deferred tax asset	\$ —	\$ —

At August 31, 2021, the Company had net operating loss carry forwards of approximately \$29,247,01 that maybe offset against future taxable income. No tax benefit has been reported in the August 31, 2021 and 2020 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cut and Jobs Act (the “Tax Act”). The Tax Act establishes new tax laws that affects 2018 and future years, including a reduction in the U.S. federal corporate income tax rate to 21% effective January 1, 2018.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

ASC Topic 740 provides guidance on the accounting for uncertainty in income taxes recognized in a company’s financial statements. Topic 740 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

The Company includes interest and penalties arising from the underpayment of income taxes in the statements of operations in the provision for income taxes. As of August 31, 2021, the Company had no accrued interest or penalties related to uncertain tax positions.

## NOTE 7. COMMITMENTS AND CONTINGENCIES

As at August 31, 2021 and 2020, the Company had no commitments or contingencies

## NOTE 8. SUBSEQUENT EVENTS

There were no events subsequent to the date of this report.