CANNAGROW HOLDINGS, INC.

FINANCIAL STATEMENTS

FOR THE PERIODS ENDED

September 30, 2022
&
December 31, 2021

- Financial Principle's Letter Regarding Financial Statements

-September 30, 2022, and December 31, 2021 Financial Statements and Accompany Notes

CERTIFICATION

The financial information contained in this report is unaudited and is based upon present knowledge and belief. This information is believed to be correct and does not contain untrue statement of material fact and is in accordance with generally accepted accounting principles, consistently applied.

These financial statements and the notes hereto, fairly present in all material respects the financial condition, results of operations and cash flows for the nine months ended September 30, 2022, and December 31, 2021, in conformity with generally accepted accounting principles in the United States, consistently applied.

The Issuer has duly caused this report to be signed and certified on its behalf by the undersigned, duly authorized, on this 21st day of November 2022.

/s/ Delmar Janovec

Delmar Janovec
President and Principal
Financial Officer

CROUCH & ASSOCIATES
5148 S 5500 W
HOOPER, UTAH 84315

Mr. Delmar Janovec, President
CannaGrow Holdings, Inc.
1836 O'Neal Ave
Pueblo, CO 81003

Dear Mr. Janovec,

I have compiled the accompanying consolidated balance sheets of CannaGrow Holdings, Inc. (formerly BizAuctions, Inc.) and its wholly owned subsidiary (the "Company") as of September 30, 2022 and December 31, 2021, and the related consolidated statements of loss, changes in stockholders' deficit and cash flows for the periods then ended in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements have been prepared in accordance with Unites States generally accepted accounting principles.

I have participated in the decision-making process regarding certain financial transactions and am therefore not independent.

/s/ Brent Crouch

Brent Crouch
November 19, 2022

CannaGrow Holdings, Inc.
(Formerly BIZAUCTIONS, INC)
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2022	December 31, 2021
	(unaudited)	(unaudited)
ASSETS:		
Current Assets:		
Cash	$ -	$ -
Inventory	-	-
Accounts receivable	75,000	30,000
Prepaid expenses	-	-
Note receivable	-	-
Total Current Assets	75,000	30,000
Plant, Property and Equipment (net)		
Deposits	-	-
Intangible assets - Candwich License	-	-
Total Assets	$ 75,000	$ 30,000
LIABLIITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	$ 78,303	$ 33,150
Note Payable - related party	832,468	817,468
Note Payable, short-term	-	-
Total Current Liabilities	910,771	850,618
Notes Payable, long-term	-	-
Total Liabilities	910,771	850,618
STOCKHOLDERS' DEFICIT		
Preferred stock, Series D, $.001 par value; 25,000,000 shares authorized 10,000,000 shares issued and outstanding,	10,000	10,000
Preferred stock, Series C convertible stock, 20,000,000 shares authorized 185,000 shares issued and outstanding converts to $5 of common shares per each share of preferred	185	185
Preferred stock - Series A convertible stock, 100,000,000 shares authorized; voting rights - 10 votes to one share of common; 42,000,000 issued and outstanding	42,000	42,000
Common stock, $.001 par value; 300,000,000 shares authorized; 102,073,434 issued and outstanding at September 30, 2022 and December 31, 2021	102,073	102,073
Additional paid-in Capital	7,565,005	7,565,005
Subscription receivable		
Retained deficit	(8,555,034)	(8,539,881)
Total Stockholders' Deficit	(835,771)	(820,618)
Total Liabilities and Stockholders' Deficit	$ 75,000	$ 30,000

(The accompanying notes are an integral part of these financial statements.)

CannaGrow Holdings, Inc
(Formerly BIZAUCTIONS, INC.)
CONSOLIDATED STATEMENT OF LOSS
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Revenues	$ 15,000	$ 215,585	$ 45,000	$ 607,635
Cost of goods sold	10,500	$ 191,282	31,500	532,282
Gross profit	$ 4,500	24,303	13,500	75,353
Operating expenses:				
Selling, general and administrative expenses	10,705	$ 41,510	28,653	141,045
Depreciation and amortization	-	$ -	-	-
Total operating expenses	10,705	41,510	28,653	141,045
Other income and expenses:				
Interest expense		$ 56,825	-	170,475
Loss before tax and extraordinary items	(6,205)	(74,032)	(15,153)	(236,167)
Income tax expenses				
Net income (loss)	$ (6,205)	$ (74,032)	$ (15,153)	$ (236,167)
Net loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average common shares outstanding	102,073,434	102,073,434	102,073,434	102,073,434

(The accompanying notes are an integral part of these financial statements.)

CannaGrow Holdings, Inc.

(Formerly BIZAUCTIONS, INC.)

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT

FROM DECEMBER 31, 2018 To SEPTEMBER 30, 2022

(Restated for a 1 for 17,000 reverse split effective 2-21-2012)

(unaudited)

	Preferred stock Shares	Preferred stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Deficit
Balance at December 31 , 2018	52,184,500	$ 52,185	102,073,434	$ 102,073	$ 7,565,005	$ (10,556,351)
Net income for the period ended December 31, 2019						(136,847)
Balance at December 31 , 2019	52,184,500	$ 52,185	102,073,434	$ 102,073	$ 7,565,005	$ (10,693,198)
Net income for the year ended December 31, 2020						(329,919)
Balance at December 31 , 2020	52,184,500	$ 52,185	102,073,434	$ 102,073	$ 7,565,005	$ (11,023,117)
Net income for the year ended December 31, 2021						2,483,236
Balance at December 31 , 2021	52,184,500	$ 52,185	102,073,434	$ 102,073	$ 7,565,005	$ (8,539,881)
Net income for the nine months ended September 30, 2022						(15,153)
Balance at September 30 , 2022	52,184,500	$ 52,185	102,073,434	$ 102,073	$ 7,565,005	$ (8,555,034)

(The accompanying notes are an integral part of these financial statements.)

CannaGrow Holdings, Inc.
(Formerly BIZAUCTIONS, INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended	
	September 30, 2022	September 30, 2021
Cash flows from operating activities:		
Net income (Loss)	$ (15,153)	$ (236,167)
Change in operation accounts:		
Accounts payable and accrued expenses	45,153	783,802
Inventory	-	
Accounts receivable	(45,000)	(607,635)
Note payable related party	15,000	60,000
	-	-
Cash flows from investing activities:		
Purchase assets	-	-
Sale assets	-	-
	-	-
Cash flows from financing activities:		
Proceeds from loans (net)	-	
	-	-
Increase (decrease) in cash	-	-
Cash - Beginning of the year	-	2,122
Cash - End of the Period	$ -	$ 2,122

(The accompanying notes are an integral part of these financial statements.)

NOTE A – SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statement follows.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in this year-end report.

The consolidated financial statements include a company which is effectively controlled directly by the Parent Company, where control is defined as the power to govern the financial operation policies. This control is generally evidenced when the company directly or indirectly owns more than 50% of the voting rights of the company's share capital. Significant intercompany transactions have been eliminated in consolidation.

In May of 2006, the Company's former parent, Green Endeavors LTD., formerly Net2Auction, Inc., purchased 50,000 shares (50,000,000 shares prior to the pre-reverse stock split on June 27, 2006) to gain a 50.02% ownership of BizAuctions, Inc. On June 27, 2006, the Company had a reverse stock split whereby each shareholder received one (1) share for each 1,000 shares owned. On June 28, 2006, the former parent company, Green Endeavors LTD., acquired 50,000,000 post reverse split shares to gain a 99.9% ownership of the Company's outstanding common stock. In this transaction, the Company acquired 100% of BizAuctions, Corp. from its parent. This transaction was valued at $154,400 or $0.003, per share.

As of September 30, 2022, and December 31, 2021, Delmar Janovec and Brent Crouch, ("Parent" or its "Affiliates"), controlled approximately 65% and 69%, respectively, of the outstanding common stock of the Company. Upon the conversion of the Series A and Series D Preferred stock owned by Delmar Janovec and Brent Crouch would have approximately 92% and 92% voting control of the Company as of September 30, 2022, and December 31, 2021.

Effective August 17, 2006, a forward stock split was effective whereby each shareholder of record received two (2) shares of common stock for each share owned.

<u>Business and Basis of Presentation</u>

BizAuctions, Inc. was formed as a Delaware Corporation on May 5, 1995, as Topper's Brick Oven Pizza, Inc. Since the inception of the Company there have been four (4) subsequent name changes to its current name, CannaGrow Holdings, Inc.

CannaGrow Holdings changed its business model during the spring of 2014 and has entered into the Medical and Recreational Marijuana industry in the State of Colorado as a Lessor, Liaison, and Consultant to developers, licensed growers, and operators.

During the reporting period the Company worked as a property manager on a 20-acre lease in which the Company acted as a Liaison with the various County and State Agencies, and the Utility Companies. Also, the Company is exploring potential business development opportunities and ancillary services within the real estate industry.

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Business and Basis of Presentation-(Continued)

CannaGrow Holdings, Inc. does not and will not, until such time as Federal law allows, grow, harvest, distribute or sell marijuana or any substance that violate the laws of the United States of America.

The Company operates out of its office in Pueblo, Co., and has two (2) full time employees at the end of this reporting period, 2022.

CannaGrow Holdings revenue from operations for the quarter ending September 30, 2022, decreased to $15,000 from $215,585 for the corresponding quarter ending September 30, 2021. The change in revenues is due to business fluctuations, and changes in the business model.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the company considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Income Taxes

The Company has adopted Financial Accounting Standard No. 109 (SFAS 109) which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

Net Loss Per Common Share

The Company computes earnings per share under Financial Accounting Standard No. 128, "Earnings Per Share" (SFAS 128). Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during the year. Dilutive common stock equivalents consist of shares issuable upon conversion of convertible preferred shares. During the periods ended September 30, 2022, and December 31, 2021, common stock equivalents are not considered in the calculation of the weighted average number of common shares outstanding because they would be anti-dilutive, thereby decreasing the net loss per common share.

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Revenue Recognition

Revenue is recognized at the time the consulting services is provided to a client.

Advertising

The Company follows the policy of charging the costs of advertising to expenses as incurred. For the periods ended September 30, 2022, and December 31, 2021, advertising costs were not material to the statement of loss.

Liquidity

As shown in the accompanying financial statements, the Company has incurred a loss from operations of ($15,153) during the period ended September 30, 2022. As of September 30, 2022, the Company had working capital deficit of ($835,771). In order for the Company to sustain operations, additional working capital must be raised by increases in revenue realizing profitable margins, by the sale of equity securities, advances or loans from financial institutions or its affiliates.

Concentrations of Credit Risk

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash, cash equivalents and related party receivables. The Company places its cash and temporary cash investments with credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit.

Stock Based Compensation

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of SFAS 123." This statement amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value-based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in APB Opinion No. 25 and related interpretations. Accordingly, compensation expense for stock options is measured as the excess, if any, of the fair market value of the Company's stock at the date of the grant over the exercise price of the related option. The Company has adopted the annual disclosure provisions of SFAS No. 148 in its financial reports for the reporting periods of September 30, 2022, and December 31, 2021.

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Comprehensive Income

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS 130), establishes standards for reporting and display of comprehensive income, its components, and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The Company adopted SFAS 130 during the periods ended September 30, 2022, and December 31, 2021, and has no items of comprehensive income to report.

Segment Information

Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise, and Related Information (SFAS 131) establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. SFAS 131 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions to allocate resources and assess performance. The information disclosed herein, materially represents all of the financial information related to the Company's principal operating segment.

New Accounting Pronouncements

SFAS No. 168. In June of 2009, the Financial Accounting Standards Board, (“FASB”), issued SFAS No. 168, The FASB Accounting Standards Codification, and the Hierarchy of Generally Accepted Accounting Principles-replacement of SFAS No. 162. No 168 established the FASB Accounting Standards Codification as the source of authoritative accounting principles recognized by the FASB to be applied in the preparation of financial statements in conformity with generally accepted accounting principles. No.168 explicitly recognizes rule and interpretive releases of the Securities and Exchange Commission (SEC) under federal securities laws issued for fiscal years and interim periods ending after September 15, 2009. The Company has adopted SFAS No. 168 and there was no impact on the Company’s consolidated financial statements or results of operations.

SFAS No. 165. In May of 2009, the Financial Accounting Standards Board, (“FASB), issued SFAS No. 165, Subsequent Events No. 165 establishes general standards of accounting for, and requires disclosures of events that occur after the balance sheet date but before the financial statements are issued or available to be issued. SFAS No. 165 is effective for interim or annual financial periods ending after June 15, 2009 and should be applied prospectively. The Company has adopted SFAS 165 and there was no impact on the Company’s consolidated financial statements or results of operations.

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

NOTE B – ACQUISITION

On June 28, 2006, the Company entered into a purchase agreement ("Agreement") with Green Endeavors LTD., formerly Net2Auction, Inc., to acquire a 100% interest in BizAuctions, Corp. for the issuance of Fifty (50,0000,000) million shares of common restricted stock.

NOTE C – DUE FROM AFFILIATES

The Company had zero amounts of receivables due from Affiliates as of this reporting period, September 30, 2022.

NOTE D – INVENTORY

Inventory is valued at the lower of cost or market value.

NOTE E – RELATED PARTY TRANSACTIONS

During the calendar year 2012, the Company issued 33,333,300 shares of common restricted stock at $0.015, per share, to an officer and director of the Company in exchange for a partial reduction of a note payable, in the amount of $49,999.

During the calendar year 2012, the Company issued 1,090,910 shares of common restricted stock at $0.037, per share, to an officer and director of the Company in exchange for a partial reduction of a note payable in the amount of $40,367.

During the calendar year 2012, the Company issued 508,075 shares of common restricted stock at $0.02, per share, to an officer and director of the Company in exchange for a partial reduction of a note payable, in the amount of $10,162.

During the calendar years 2009 and 2008, the Company issued its parent 60,000,000 shares of common restricted stock and 42,000,000 of Series A Preferred for services rendered and financial guarantees.

During the calendar year 2009, the Company issued 50,000,000 shares of common restricted stock to the officers of the Company for services rendered and financial guarantees.

During the calendar year 2009, the Company issued its parent 10,000,000 shares of Series D Preferred in exchange for the partial reduction of debt in the amount of $179,046 owed to its parent.

During the calendar year 2008, the Company issued 8,000,000 shares of restricted common stock to an officer of the Company for the conversion of debt in the amount of $80,000 that was owed to the officer of the Company.

On June 28, 2006, the Company purchased 100% of Green Endeavors LTD., formerly Net2Auction, Inc.'s subsidiary, BizAuctions, Corp. for the issuance of Fifty (50,000,000) million shares of its common restricted stock. The total value of the transaction was $154,400.

NOTE F – NOTES PAYABLE-RELATED PARTY

As of September 30, 2022, the Company had notes payable to an officer of the Company in the amount of $416,234. The note is payable on demand and is non-interest bearing and is convertible into common stock, at the option of the note holder.

On September 30, 2022, the Company had notes payable to Brent Crouch, a former officer, in the amount of $416,234. The note is payable on demand and interest of 9% and is convertible into common stock, at the option of the note holder.

NOTE G – NOTES PAYABLE

The Company received notice during the 4th quarter 2021 from the accredited investors holding debt instruments in the Company that all of the convertible promissory notes and accrued interests were forgiven, effectively immediately. The cancellation was due in part to the reinterpretation of the SEC Regulations governing Convertible Promissory Notes.

(For additional information, please see Year-End reports for December 31, 2021 and December 31, 2020 filed with the OTC Markets at, http://www.otckmarkets.com).

NOTE H – NOTE RECEIVABLE

During the 4th quarter 2021, the Company determined the Note Receivables to be uncollectible.

NOTE I– STOCHOLDERS' DEFICIT

Preferred Stock:

The Company is authorized to issue 150,000,000 shares with 100,000,000 of Series A Preferred stock, 5,000,000 shares of Series B Preferred stock, 20,000,000 shares of Series C Preferred stock, and 25,000,000 shares of Series D Preferred stock.

The Series A Preferred stock is convertible at the option of the holder into common stock at the rate of 10 shares of common for every one share of Series A Preferred after one year from the date of issue. Each share of Series A Preferred stock has voting rights equal to 10 shares of common stock.

The Series B Preferred stock is convertible at the option of the holder into common stock at the rate of 1 share of common for each share of Series B after one year from the date of issue. Each share of Series B Preferred stock has voting rights equal to 1 share of common stock.

The Series C Preferred stock has a stated conversion value of $5.00, per share, upon conversion to common stock. Each share of Series C Preferred stock has voting rights equal to five shares of common stock.

NOTE I– STOCHOLDERS' DEFICIT-(CONTINUED)

The Series D Preferred stock has a stated conversion value of $2.00 divided by 50% of the average closing price of the Common Stock on five business days preceding the date of conversion. Each share of the Series D Preferred stock has voting rights equal to the conversion factor at the time of conversion.

As of September 30, 2022, and December 31, 2021 respectively, the Company had 42,000,000 and 42,000,000 shares of Series A preferred stock outstanding, 0 and 0 shares of Series B preferred stock outstanding, 184,500 and 134,500 shares of Series C preferred stock outstanding, 10,000,000 and 10,000,000 shares of Series D preferred stock outstanding.

Issuances of Preferred stock during this reporting period:

There were no issuances of Preferred Shares during this period 2022.

Issuances of Preferred stock during the calendar year 2022:

There were no issuances of Preferred Shares during the calendar year 2022.

Issuances of Preferred stock during the calendar year 2021:

There were no issuances of Preferred Shares during this calendar year 2021.

Common Stock:

The Company is authorized 300,000,000 shares of common stock with a par value of $.001 per share. As of September 30, 2022, and December 31, 2021 respectively, the Company has issued and has outstanding, 102,073,434 and 102,073,434 shares of common stock.

Issuances of common stock during this reporting period, 2022:

There were no issuances of common stock during this reporting period, 2022.

Issuances of common stock during this calendar year 2022:

There were no issuances of common stock during this calendar year, 2022.

Issuances of common stock during the calendar year, 2021:

There were no issuances of common stock during the calendar year, 2021.

Issuances of common stock during the calendar year, 2020:

There were no issuances of common stock during the calendar year, 2020.

NOTE J – COMMITMENTS AND CONTINGENCIES

The Company no longer sub-leases office space from SGD Holdings, Ltd.

(For additional information, please see Year-End reports for December 31, 2021 and December 31, 2020 filed with the OTC Markets at, http://www.otckmarkets.com).

NOTE K-LEGAL

Since the filing of the Company's Annual Year-end report for the period-ended December 31, 2021, no material changes have occurred to the legal proceedings reported therein.

(For additional information, please see the Company's Year-End report for December 31, 2021 & December 31, 2020, filed with the OTC Markets, at http://www.otckmarkets.com).

NOTE L–OTHER MATTERS

The Company filed to amend its articles of incorporation with the State of Delaware on August 11, 2015, whereby amending its articles of incorporation after receiving written consent by more than 70% of the shareholders of the Company, to reduce the authorized common stock from Five Hundred Million, (500,000,000), to Three Hundred Million, (300,000,000) shares with an effective date of September 22, 2015. Shareholders of record as of August 7, 2015, were given notice of this corporate action by regular mail. The Company was not required to file a Notice of Corporate Action with FINRA.

The Company filed with FINRA for a Notice of Corporate Action on or about October 17, 2014, whereby the Company amended its articles of incorporation with the State of Delaware on October 2, 2014, after receiving consent by more than 70% of the shareholders of the Company, to change the corporate name of the Company to CannaGrow Holdings, Inc., with an effective date for the name change of November 1, 2014. Shareholders of record as of October 2, 2014, were given notice of this corporate action by regular mail. The Company received final approval from FINRA on November 5, 2014 for the name change and a new CUSIP number from CUSIP.

The Company filed to amend its articles of incorporation with the State of Delaware on November 5, 2014, whereby amending its articles of incorporation after receiving consent by more than 70% of the shareholders of the Company, to reduce the authorized common stock from Two Billion, (2,000,000,000), to Five Hundred Million, (500,000,000) shares and the Preferred Shares remaining at One Hundred Fifty Million, (150,000,000), shares with an effective date of December 1, 2014. Shareholders of record as of November 2, 2014, were given notice of this corporate action by regular mail. The Company was not required to file a Notice of Corporate Action with FINRA for this corporate action.

On December 16, 2011, the Board of Directors, as approved by written consent of the majority shareholders in excess of 60% of the voting rights of the Company, received the approval and authorization for a reclassification or reverse split of the common stock for a 1:17,000, and filed with the State of Delaware for an amendment to the Articles of Incorporation on December 19, 2011, with an effective date of December 28, 2011. The shareholders of record on December 16, 2011 received notice of the action taken by the Board of Directors. The Company filed with FINRA and CUSIP for the reclassification of the common stock on December 23, 2011, with final approval on February 17, 2012.

NOTE M - SUBSEQUENT EVENTS

There were no Subsequent Events as of the filing of this report

NOTE N - INCOME TAXES

The Company has adopted Financial Accounting Standard No. 109 which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

On September 30, 2022, the Company has available for federal income tax purposes a net operating loss carry forward of approximately, ($8,500,000), beginning to expire in the year 2025, that may be used to offset future taxable income. The Company has provided a valuation reserve against the full amount of the net operating loss benefit, since in the opinion of management based upon the start-up status of the Company, the tax benefits will not be recognized until income is realized. Due to significant changes in the Company's ownership, the future use of its existing net operating losses may be limited.

Components of deferred tax assets as of September 30, 2022, are as follows:

Non-Current:	
Net operating loss carry forward	$ 2,525,000
Valuation allowance	(2,525,000)

Net deferred tax asset	$ --
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NOTE O - GOING CONCERN

The accompanying consolidated statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the financial statements during the period ended September 30, 2022, the Company incurred a loss from operations of ($15,153) and has not obtained positive cash flow from operation under its current operating plan. This may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

The Company's existence is dependent upon advances from its Parent company and its affiliates, the sale of additional equity stock, loans, and management's ability to develop profitable operations. Management anticipates the Company will attain profitable status and improve its liquidity through the continued developing, marketing, and selling of its products and additional equity investments in the Company. The accompanying financial statements do not include any adjustments that might result should the Company be unable to continue as a going concern. In order to improve the Company's liquidity, the Company is actively pursuing additional equity financing through discussions with investment bankers and private investors. There can be no assurance the Company will be successful in its effort to secure additional equity financing. If operations and cash flows continue to improve through these efforts, management believes that the Company can continue to operate and achieve profitability. However, no assurance can be given that management's actions will result in profitable operations or the resolution of its liquidity problems.