

**WORLD ILLUSTRATED, INC.**

**FINANCIAL STATEMENTS**

*For the fiscal year ended December 31, 2023 and 2022*

*(Unaudited)*

# Balance Sheet

world illustrated Inc.  
As of December 31, 2023

DEC 31, 2023

DEC 31, 2022

## Assets

### Current Assets

#### Cash and Cash Equivalents

Avalon EUR	27,827.61	25,706.84
Avalon GBP	185.19	-
world illustrated Inc. USD	2,352.38	4,824.49
<b>Total Cash and Cash Equivalents</b>	<b>30,365.18</b>	<b>30,531.33</b>

Accounts Receivable	185,277.95	120,946.20
world illustrated website development	240,575.83	190,219.98
<b>Total Current Assets</b>	<b>456,218.96</b>	<b>341,697.51</b>

### Fixed Assets

Intellectual Property	1,797,941.49	1,744,081.84
<b>Total Fixed Assets</b>	<b>1,797,941.49</b>	<b>1,744,081.84</b>

<b>Total Assets</b>	<b>2,254,160.45</b>	<b>2,085,779.35</b>
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## Liabilities and Equity

### Liabilities

#### Current Liabilities

Accounts Payable	258,729.57	124,748.97
Avalon GBP	-	20,576.53
Avalon USD	12,887.72	14,325.99
Rounding	1.96	1.91
Sales Tax	2.10	2.10
Suspense account	0.29	-
<b>Total Current Liabilities</b>	<b>271,621.64</b>	<b>159,655.50</b>

#### Long Term Liabilities

Loan account	280,884.14	280,960.44
VAT received in error	947.48	272.19
<b>Total Long Term Liabilities</b>	<b>281,831.62</b>	<b>281,232.63</b>

<b>Total Liabilities</b>	<b>553,453.26</b>	<b>440,888.13</b>
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### Equity

Current Year Earnings	12,001.47	(3,601.77)
Retained Profit & Loss	(69,713.95)	(66,112.18)
Share Capital	1,758,419.67	1,714,605.17
<b>Total Equity</b>	<b>1,700,707.19</b>	<b>1,644,891.22</b>

<b>Total Liabilities and Equity</b>	<b>2,254,160.45</b>	<b>2,085,779.35</b>
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# Income Statement (Profit and Loss)

world illustrated Inc.

For the year ended December 31, 2023

Accrual Basis

	2023	2022	TOTAL
<b>SALES</b>			
<b>UK DIRECT</b>			
UK Ad Agencies	6,192.59	1,342.34	7,534.93
UK Book Publishers	10,884.13	2,461.09	13,345.22
UK Magazines	13,479.93	7,212.21	20,692.14
UK Merchandising Companies	8,642.39	5,473.12	14,115.51
UK Newspapers	127,130.33	69,554.04	196,684.37
UK Record Companies	10,256.42	1,638.80	11,895.22
UK TV/Film/Web	40,323.01	10,669.82	50,992.83
UK Travel Companies	2,137.43	-	2,137.43
<b>Total UK DIRECT</b>	<b>219,046.23</b>	<b>98,351.42</b>	<b>317,397.65</b>
<b>AGENTS</b>			
Agent Sales China	1,828.80	913.68	2,742.48
Agent sales Copyright & PIXEL	77,636.61	82,919.63	160,556.24
Agent Sales EUR other	60,973.76	43,732.55	104,706.31
Agent Sales France	44,930.85	20,490.71	65,421.56
Agent Sales Germany	94,879.85	49,863.05	144,742.90
Agent Sales Japan	32,172.66	15,463.50	47,636.16
Agent Sales other ROW	16,040.68	10,671.05	26,711.73
Agent sales UK	60,759.76	29,428.50	90,188.26
Agent Sales USA	77,459.05	42,015.10	119,474.15
<b>Total AGENTS</b>	<b>466,682.02</b>	<b>295,497.77</b>	<b>762,179.79</b>
<b>ASSIGNMENT</b>			
Assignment Print sales	12,658.38	10,172.22	22,830.60
Assignment sales	30,248.02	19,588.69	49,836.71
<b>Total ASSIGNMENT</b>	<b>42,906.40</b>	<b>29,760.91</b>	<b>72,667.31</b>
<b>HOSTING</b>			
Hosting sales	21,909.32	10,989.33	32,898.65
<b>Total HOSTING</b>	<b>21,909.32</b>	<b>10,989.33</b>	<b>32,898.65</b>
<b>USA &amp; Other</b>			
Foreign Book Publishers	657.90	326.89	984.79
Foreign Magazine publishers	515.82	125.34	641.16
Foreign other sales	930.89	427.68	1,358.57
USA Book Publishers	8,381.39	2,362.50	10,743.89
USA Magazine publishers	4,747.88	1,845.00	6,592.88

	2023	2022	TOTAL
USA other sales	85,473.74	54,151.02	139,624.76
<b>Total USA &amp; Other</b>	<b>100,707.62</b>	<b>59,238.43</b>	<b>159,946.05</b>
<b>GERMANY</b>			
German Magazine publishers	2,642.61	1,522.26	4,164.87
German Newspaper publishers	2,955.87	1,635.89	4,591.76
German other sales	543.40	220.55	763.95
<b>Total GERMANY</b>	<b>6,141.88</b>	<b>3,378.70</b>	<b>9,520.58</b>
<b>TOTAL SALES</b>	<b>857,393.47</b>	<b>497,216.56</b>	<b>1,354,610.03</b>
<b>COST OF SALES</b>			
Agent sales reports	94,308.05	40,199.08	134,507.13
Assignment shoot costs	13,828.51	9,489.30	23,317.81
Photo Print costs	891.63	528.36	1,419.99
Photographer sales reports	89,505.90	50,350.93	139,856.83
Press shoot Costs	14,033.93	8,847.59	22,881.52
<b>Total COST OF SALES</b>	<b>212,568.02</b>	<b>109,415.26</b>	<b>321,983.28</b>
<b>Gross Profit</b>	<b>644,825.45</b>	<b>387,801.30</b>	<b>1,032,626.75</b>
<b>EXPENSES</b>			
Bad debts	(659.04)	-	(659.04)
Bank charges	6,306.74	3,201.94	9,508.68
Bank Revaluations	1,356.85	1,194.05	2,550.90
Domain registration fees	281.50	540.76	822.26
Electricity	1,574.46	822.66	2,397.12
Entertaining	9,597.43	7,174.71	16,772.14
Exchange rate variance	1,098.42	738.13	1,836.55
Hosting & internet	64,226.59	33,294.27	97,520.86
Insurance	2,268.42	645.90	2,914.32
Legal & professional charges	9,738.63	9,287.03	19,025.66
Marketing	5,243.47	1,589.63	6,833.10
Mobile phones	4,220.11	2,779.63	6,999.74
Motor expenses	2,723.43	1,243.71	3,967.14
Newspapers & Magazines	41.60	165.41	207.01
Office expenses	34,699.01	26,292.74	60,991.75
Postage	502.82	212.80	715.62
Rates	3,861.53	863.42	4,724.95
Realized Currency Gains	501.13	(316.83)	184.30
Redundancy	21,104.62	-	21,104.62
Rent	29,040.82	17,578.00	46,618.82
Staff contractor costs	417,058.74	275,088.25	692,146.99

	2023	2022	TOTAL
Staff subsistence	2,634.68	510.04	3,144.72
Subscriptions & passes	3,265.98	2,210.55	5,476.53
Telephone	860.72	413.07	1,273.79
Travel	5,588.97	3,334.46	8,923.43
Unrealized Currency Gains	3,433.96	1,556.17	4,990.13
Water	-	218.31	218.31
Withholding tax	2,252.39	764.26	3,016.65
<b>Total EXPENSES</b>	<b>632,823.98</b>	<b>391,403.07</b>	<b>1,024,227.05</b>
<b>Operating Income</b>	<b>12,001.47</b>	<b>(3,601.77)</b>	<b>8,399.70</b>
<b>Net Income</b>	<b>12,001.47</b>	<b>(3,601.77)</b>	<b>8,399.70</b>

# Statement of Cash Flows

world illustrated Inc.

For the year ended December 31, 2023

	2023	2022
<b>Operating Activities</b>		
Receipts from customers	793,623.15	372,764.83
Payments to suppliers and employees	(709,933.23)	(376,204.21)
Cash receipts from other operating activities	-	2.10
Cash payments from other operating activities	(501.13)	316.83
<b>Net Cash Flows from Operating Activities</b>	<b>83,188.79</b>	<b>(3,120.45)</b>
<b>Investing Activities</b>		
Payment for property, plant and equipment	(53,859.65)	(1,686,077.04)
Other cash items from investing activities	(50,932.47)	(50,622.43)
<b>Net Cash Flows from Investing Activities</b>	<b>(104,792.12)</b>	<b>(1,736,699.47)</b>
<b>Financing Activities</b>		
Other cash items from financing activities	44,808.83	1,736,429.48
<b>Net Cash Flows from Financing Activities</b>	<b>44,808.83</b>	<b>1,736,429.48</b>
<b>Net Cash Flows</b>	<b>23,205.50</b>	<b>(3,390.44)</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	(4,371.19)	213.30
Net cash flows	23,205.50	(3,390.44)
Effect of exchange rate changes on cash	(1,356.85)	(1,194.05)
Cash and cash equivalents at end of period	17,477.46	(4,371.19)
<b>Net change in cash for period</b>	<b>21,848.65</b>	<b>(4,584.49)</b>

# Statement of Owners' Equity

world illustrated Inc.

For the year ended December 31, 2023

	2023	2022
<b>Equity</b>		
Opening Balance	1,644,891.22	(66,012.18)
Current Year Earnings	12,001.47	(3,601.77)
Share Capital	43,814.50	1,714,505.17
<b>Total Equity</b>	<b>1,700,707.19</b>	<b>1,644,891.22</b>

**WORLD ILLUSTRATED, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Fiscal Years Ended December 31, 2023 and 2022

**1. ORGANIZATION AND PURPOSE**

World Illustrated, Inc. (the “Company”), is a corporation organized under the laws of the State of Delaware. The Company operates a content licensing platform and is building a social networking platform. The company currently derives revenue from content licensing. Future revenues will include advertising and merchandising.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Company’s significant accounting policies applied in the preparation of the accompanying financial statements follows:

**a) Basis of Accounting**

The Company prepares its financial statements on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**b) Fiscal Year**

The Company operates on a 52-week fiscal year ending on December 31.

**c) Cash Equivalents**

Cash and cash equivalents include cash and short-term highly liquid investments with an original maturity of three months or less held in domestic financial institutions. For the fiscal years ended December 31, 2023 and December 31, 2022, the Company’s cash positions include its operating bank account.

**WORLD ILLUSTRATED, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Fiscal Years Ended December 31, 2023 and 2022

**d) Legal Fees**

Legal fees consist of legal services provided for corporate matters and financing.

**e) Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**3. CONVERTIBLE NOTES**

Nicholas Mavroleon holds a Convertible Note in the amount of \$11,500. It carries an interest rate of 5% and gives him the right to convert into ordinary stock in the Company at the same value as other investors the next time the Company performs an equity or equity related fundraising. The note was issued in December 2023 with an initial term of 8 months and can be rolled for a further period of 8 months. His stated intention is to convert the note.

**4. SUBSEQUENT EVENT**

The Company has evaluated events and transactions subsequent to the period. A significant matter was the transfer of the business. No events require recognition in the financial statements or disclosures of the Company per the definitions and requirements of ASC Section 855-10, Subsequent Events.

**5. RELATED PARTY TRANSACTIONS**

- a) Avalon Licensing Limited, a wholly owned subsidiary whose business and assets were transferred to the Company on 1st July 2022, made two interest free loans to the Company as part of the transfer. One in the amount of \$92,293, and the other in the amount of \$164,692. Both have bullet repayments due on 30th April 2028.
- b) Charles Taylor, the Company's main shareholder and CEO, has made a loan on the same terms as Avalon in the amount of \$122,622.
- c) In October 2019, founder Charles Taylor contributed \$100 for the company's formation.