
LANCASTERS LLC

REVIEWED FINANCIAL STATEMENTS

**FROM INCEPTION (OCTOBER 23, 2023)
TO YEAR ENDED DECEMBER 31, 2023
*(Unaudited)***

INDEX TO FINANCIAL STATEMENTS

(UNAUDITED)

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Members of
Lancasters LLC
Lehi, Utah

We have reviewed the accompanying financial statements of Lancasters LLC (the "Company,"), which comprise the balance sheet as of December 31, 2023, and the related statement of operations, statement of members' equity, and cash flows for the period from Inception (October 23, 2023) to December 31, 2023, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Going Concern

As discussed in Note 7, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Set Apart Accountancy Corp.

September 13, 2024
Los Angeles, California

LANCASTERS LLC**BALANCE SHEET****(UNAUDITED)**

As of December 31,	2023
(USD \$ in Dollars)	
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 205,341
Total Current Assets	205,341
Total Assets	\$ 205,341
LIABILITIES AND MEMBERS' EQUITY	
Total Liabilities	\$ -
MEMBERS' EQUITY	
Members' Equity	205,341
Total Members' Equity	205,341
Total Liabilities and Members' Equity	\$ 205,341

See accompanying notes to financial statements.

LANCASTERS LLC
STATEMENT OF OPERATIONS
(UNAUDITED)

<u>From the Inception (October 23, 2023) to</u>	<u>December 31, 2023</u>
(USD \$ in Dollars)	
Net revenue	\$ -
Cost of Goods Sold	-
Gross Profit/ (Loss)	-
Operating Expenses	
General and Administrative	9,003
Total Operating Expenses	9,003
Net Operating Loss	(9,003)
Interest Expense	-
Other Income	214,344
Loss Before Provision for Income Taxes	205,341
Provision/(Benefit) for Income Taxes	-
Net Income	\$ 205,341

See accompanying notes to financial statements.

LANCASTERS LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
(UNAUDITED)

(USD \$ in Dollars)	Members' Equity
Inception Date- October 23, 2023	\$ -
Net Income	205,341
Balance—December 31, 2023	\$ 205,341

See accompanying notes to financial statements.

LANCASTERS LLC
STATEMENT OF CASH FLOWS
(UNAUDITED)

<u>From the Inception Date (October 23, 2023) to</u>	<u>December 31, 2023</u>
(USD \$ in Dollars)	
CASH FLOW FROM OPERATING ACTIVITIES	
Net Income	\$ 205,341
Net Cash Provided by Operating Activities	205,341
CASH FLOW FROM INVESTING ACTIVITIES	
Net Cash Used in Investing Activities	-
CASH FLOW FROM FINANCING ACTIVITIES	
Net Cash Provided by Financing Activities	-
Change In Cash And Cash Equivalents	205,341
Cash And Cash Equivalents—Beginning Of Year	-
Cash And Cash Equivalents—End Of Year	\$ 205,341
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash Paid During The Year For Interest	\$ -

See accompanying notes to financial statements.

LANCASTERS LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2023

1. NATURE OF OPERATIONS

Lancasters LLC was formed on October 23, 2023, in the state of Utah. The financial statements of Lancasters LLC (which may be referred to as the “Company”, “we”, “us”, or “our”) are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company’s headquarters are located in Lehi, Utah.

Lancasters LLC was created to manage the production of Seeking Persephone, a full-feature movie based on the book Seeking Persephone, written by Sarah M. Eden. The screenplay was adapted by the author, Sarah M. Eden. Pre-production began in the fall of 2023. The script was broken down into a schedule, actors and crew were selected, and locations were picked out. The film will take approximately 18 to 20 days to shoot. 6 days have already been completed with the money pledged on Kickstarter. Once the film is completed, the Company will find a Distributor (or Distributors) to release the film to the various markets in order for the film to earn its money back as well as any profit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies is presented to assist in understanding the Company’s financial statements. The accounting policies conform to accounting principles generally accepted in the United States of America (“GAAP” and “US GAAP”).

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (“US GAAP”). The Company has adopted the calendar year as its basis of reporting.

Use of Estimates

The preparation of financial statements in conformity with United States GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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

Cash and cash equivalents include all cash in banks. The Company’s cash is deposited in demand accounts at financial institutions that management believes are creditworthy. The Company’s cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of December 31, 2023, the Company’s cash and cash equivalents did not exceed FDIC-insured limits.

Income Taxes

The Company has been organized as a limited liability company and has elected to be taxed as a partnership, which is not a tax-paying entity for federal income tax purposes and therefore, no provision for federal income taxes is reflected in its records. The income or loss of the limited liability company is passed through to the members and reported on their individual income tax returns.

LANCASTERS LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2023

Concentration of Credit Risk

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

Revenue Recognition

The Company is currently pre-revenue and will follow the provisions and the disclosure requirements described in ASU 2014-09, also referred to as Topic 606. Revenue recognition, according to Topic 606, is determined using the following steps:

- 1) Identification of the contract, or contracts, with the customer: the Company determines the existence of a contract with a customer when the contract is mutually approved; the rights of each party in relation to the services to be transferred can be identified, the payment terms for the services can be identified, the customer has the capacity and intention to pay and the contract has commercial substance.
- 2) Identification of performance obligations in the contract: Performance obligations consist of a promised in a contract (written or oral) with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
- 3) Recognition of revenue when, or how, a performance obligation is met: Revenues are recognized when or as control of the promised goods or services is transferred to customers.

Other Income

In 2023, the Company received \$214,344 from the Kickstarter platform (2,483 backers pledged the amount). The funds are considered non-repayable and classified as a donation. The primary obligation to backers is to complete the promised deliverables, address concerns transparently, and ensure the distribution of rewards. Rewards are contingent on the backer's pledge level, which may include items such as digital downloads of the movie, an acknowledgement in the credits, or personalized videos from the actors.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments included in current assets and current liabilities (such as cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of such instruments).

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

LANCASTERS LLC
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2023

Subsequent Events

The Company considers events or transactions that occur after the balance sheet date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through September 13, 2024, which is the date the financial statements were issued.

3. DEBT

The Company had no loan outstanding as of December 31, 2023.

4. EQUITY AND CAPITALIZATION

The ownership percentages of the members as of December 31, 2023 are as follows:

Member's Name	Ownership percentage
John Lyde	34.0%
Ronald Brough	33.0%
Sarah Eden	33.0%
TOTAL	100.0%

This limited liability company is managed by its members.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

The Company's operations are subject to a variety of local, state, and federal regulations. Failure to comply with these requirements may result in fines, penalties, restrictions on operations, or loss of permits, which will have an adverse impact on the Company's operations and might result in an outflow of economic resources.

Litigation and Claims

From time to time, the Company may be involved in or exposed to litigation arising from operations in the normal course of business. As of December 31, 2023, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

6. RELATED PARTY TRANSACTIONS

There are no related party transactions As of December 31, 2023.

7. GOING CONCERN

The Company lacks significant working capital and has only recently commenced operations. We will incur significant additional costs before significant revenue is achieved. These matters raise substantial doubt about the Company's ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations with funding from our proposed Regulation Crowdfunding campaign, and additional debt and/or equity financing as determined to be necessary. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned development, which could harm our business, financial condition and operating results. The

LANCASTERS LLC
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balance sheet and related financial statements do not include any adjustments that might result from these uncertainties