

REVIEWED FINANCIAL STATEMENTS

Ideal Conceal, Inc.

Years Ended December 31, 2019 and 2018

With Independent Accountant's Review Report

Ideal Conceal, Inc.
Financial Statements

Years Ended December 31, 2019 and 2018

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Accounting Services

Independent Accountant's Review Report

The Board of Directors
Ideal Conceal, Inc.
Monticello, Minnesota

I have reviewed the accompanying financial statements of Ideal Conceal, Inc., which comprises of the balance sheets as of December 31, 2019 and 2018, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended 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, I 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

My responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Going Concern

As discussed in Note 1, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying balance sheet does not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Our conclusion is not modified with respect to that matter.

Fiona Hamza, CPA



Plano, Texas
January 13, 2020

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Ideal Conceal, Inc.

Balance Sheets

	December 31,	
	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,668	\$ 10,524
Inventory	-	5,794
Total current assets	11,668	16,318
Fixed assets	3,329	3,329
Less: Accumulated Depreciation	(2,729)	(2,489)
Net fixed assets	600	840
Total assets	\$ 12,268	\$ 17,158
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade payable	10,256	4,475
Interest payable	32,432	10,520
Deferred revenue (note 1)	85,110	346,264
Related Party payable (note 2)	420,302	256,151
Total current liabilities	548,100	617,410
Total long-term liabilities	-	-
Total liabilities	548,100	617,410
Stockholders' equity:		
Class A Common Stock, stated value \$0.002 (note 3)		
Authorized shares, 10,000,000		
Issued and outstanding shares, 5,000,000	9,500	9,500
Paid-in capital	112,314	51,814
Crowd Fund Stock	167,565	149,291
Retained deficit	(825,211)	(810,857)
Total stockholders' deficit	(535,832)	(600,252)
Total liabilities and stockholders' deficit	\$ 12,268	\$ 17,158

See Independent Accountant's Review Report.

Ideal Conceal, Inc.
Statements of Operations

	December 31,	
	2019	2018
Revenue		
Product income	\$ 316,170	\$ 97,620
Net revenues	316,170	97,620
Less: Cost of goods sold	175,681	69,194
Gross Profit	140,489	28,426
Expenses:		
Advertising and promotion	3,297	4,063
Automobile expense	12,799	14,600
Bank charges	89	2,638
Computer and internet expenses	4,382	8,117
Depreciation expense	240	336
Dues and subscription	2,171	5,394
Financing expenses	8,285	6,872
Insurance expense	34,266	18,684
Legal and professional fees	19,256	37,587
Licensing expense	445	2,808
Office expense	13,519	12,577
Repairs	2,073	-
Research and development <i>(note 1)</i>	-	109,979
Telephone expense	3,815	5,058
Trade Shows	23,811	42,115
Travel and Meals	2,786	10,766
Total operating expenses	131,234	281,594
Operating income (loss)	9,255	(253,168)
Other expense		
Interest expense	23,609	10,131
Net loss	\$ (14,354)	\$ (263,299)

See Independent Accountant's Review Report.

Ideal Conceal, Inc.

Statements of Changes in Stockholders' Deficit

	Common stock <i>(stated value \$.002)</i>	Paid-in Capital	Crowd Fund Stock	Retained Equity (Deficit)	Total
Balance at December 31, 2017	\$ 9,500	\$ 51,814	\$ 149,291	\$ (547,558)	\$ (336,953)
Net Loss	-	-	-	(263,299)	(263,299)
Paid-in-capital	-	-	-	-	-
Balance at December 31, 2018	\$ 9,500	\$ 51,814	\$ 149,291	\$ (810,857)	\$ (600,252)
Crowd Fund Stock	-	-	18,274	-	18,274
Net Loss	-	-	-	(14,354)	(14,354)
Paid-in-capital	-	60,500	-	-	60,500
Balance at December 31, 2019	\$ 9,500	\$ 112,314	\$ 167,565	\$ (825,211)	\$ (535,832)

See Independent Accountant's Review Report.

Ideal Conceal, Inc.

Statements of Cash Flows

	December 31,	
	2019	2018
Operating activities		
Net loss	\$ (14,354)	\$ (263,299)
Add: depreciation expense	240	336
Decrease (increase) in inventory	5,794	(5,794)
Increase (decrease) in trade payable	5,780	(3,323)
Increase in interest payable	21,912	9,320
Increase (decrease) in deferred revenue	(261,153)	25,330
Increase in related party payables	164,151	236,151
Net cash used by operating activities	<u>(77,630)</u>	<u>(1,279)</u>
Investing activities		
Fixed assets	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
Financing activities		
Proceeds from crowd fund capital	18,274	-
Proceeds from capital contribution	60,500	-
Net cash provided by financing activities	<u>78,774</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	1,144	(1,279)
Cash and cash equivalents at beginning of year	10,524	11,803
Cash and cash equivalents at end of year	<u>\$ 11,668</u>	<u>\$ 10,524</u>

Supplemental disclosures of cash flow information:

Cash paid for interest	<u>11,017</u>	<u>811</u>
Cash paid for income taxes	<u>-</u>	<u>-</u>

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Ideal Conceal, Inc.

Notes to Financial Statements December 31, 2019

1. Business and Summary of Significant Accounting Policies

Description of Business and Basis of Presentation

Ideal Conceal, Inc. was formed on October 6, 2015 (“Inception”) in the State of Minnesota. The financial statements of Ideal Conceal, Inc. (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 Monticello, Minnesota

Specializing in concealed weaponry, we deliver a high-quality handgun that can be deployed very quickly for the defense of you or your family. The idea for Ideal Conceal follows the present-day demand for handguns that people can carry on a day to day basis, in a manner that makes carrying a gun easy to do. People of every walk of life can carry this gun that allows them the option of not being a victim. Our mission is to promote security and public safety by designing and manufacturing innovative and unparalleled products engineered to protect.

Going Concern and Management’s Plans

We will rely heavily on our funding round to ramp up our ability to produce more of our current pistol to fulfill the flow of orders we currently have. Growth and developing other products as well as new calibers which are being developed will also require additional working capital.

We will incur significant additional costs for the development and testing of our product. Growing and ramping up production will require extra expenditures that can impact the Company’s ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations largely with funding from sales, and our Regulation Crowdfunding campaign, as well as our 506c raise for accredited investors and/or 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 balance sheet does not include any adjustments that might result from these uncertainties.

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Ideal Conceal, Inc.
Notes to Financial Statements (continued)
December 31, 2019

Risks and Uncertainties

The Company's business and operations are sensitive to general business and economic conditions in the U.S. and worldwide along with local, state, and federal governmental policy decisions. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include: recession, downturn or otherwise, government policy changes in regards to firearms, and competition from larger companies in our space. These adverse conditions could affect the Company's financial condition and the results of its operations.

Use of estimates

The preparation of financial statements is in conformity with the accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. It is reasonably possible that changes in estimates will occur in the near term.

Property and Equipment, Net

Property and equipment are recorded at cost. Depreciation is computed using a straight-line mid-month convention method over the estimated useful lives of the assets, which for furniture and fixtures, auto and most computer equipment ranges primarily from five to seven years.

Any assets less than thousand dollars are expensed. In addition, repairs and maintenance performed on equipment or software are expensed as incurred.

Cash and Cash Equivalents

Cash equivalents consist primarily of short-term investments in overnight money market funds.

Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred. All revenue and expenses that are applicable to future periods are presented as deferred income or prepaid expenses on the accompanying balance sheets.

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Ideal Conceal, Inc.
Notes to Financial Statements (continued)
December 31, 2019

Research and Development

We incur research and development costs during the process of researching and developing our technologies and future offerings. Our research and development costs consist primarily of third-party product design consultants. We expense these costs as incurred until the resulting product has been completed, tested, and made ready for commercial use.

Income Taxes

The Company is taxed as a S-Corporation. Under these provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the shareholders are liable for individual federal and state income taxes on their respective shares of the Company's taxable income.

2. Related Party Transactions

From time-to-time, the Company's officers advance the company funds or incur expenses on the Company's behalf. These advances are considered short-term, due on demand.

3. Common Stock

The relative rights, powers, preferences, qualifications, limitations, and restrictions of the Common Stock, are as follow:

Each share of Class A Common Stock is entitled to one vote. 99% of 5,000,000 shares were issued to the founder of the company and remaining 1% to crowd fund investors.

4. Commitments and Contingencies

As of the date of issuance of financials January 13, 2020, the company has no commitments or contingencies.

5. Subsequent Events

Management has evaluated subsequent events through January 13, 2020, the date on which the financial statements were available to be issued. There have been no other events or transactions during this time which would have a material effect on these financial statements.

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