

Magic Passport LLC (the “Company”) a Colorado Limited Liability

Statement of Financial Position (unaudited) and
Independent Accountant’s Review Report

As of inception – January 17th, 2024



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management
Magic Passport LLC

We have reviewed the accompanying statement of financial position as of January 17th, 2024 and the related notes. 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 controls 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 engagement 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.

Accountant's Conclusion

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

Going Concern

As discussed in Note 8, 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. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs.

Vince Mongio, CPA, CIA, CFE, MACC
Miami, FL
February 1, 2024

Vincenzo Mongio

Statement of Financial Position**As of January 17th, 2024
(inception)****ASSETS****TOTAL ASSETS -****LIABILITIES AND EQUITY****TOTAL LIABILITIES -****EQUITY -****TOTAL LIABILITIES AND EQUITY -**

Magic Passport LLC
Notes to the Unaudited Statement of Financial Position
January 17th, 2024 (inception)
\$USD

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Magic Passport LLC, (“the Company”) was formed in Colorado on January 17th, 2024, and is an animation production company dedicated to the creation of compelling short films, animated series and features.

The Company will conduct a crowdfunding campaign under regulation CF in 2024 to raise operating capital.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Our fiscal year ends on December 31.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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

Cash and cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Fair Value of Financial Instruments

ASC 820 “*Fair Value Measurements and Disclosures*” establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

Level 1: defined as observable inputs such as quoted prices in active markets;

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Concentrations of Credit Risks

The Company’s financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. The Company’s management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606,” “Revenue Recognition” following the five steps procedure:

- Step 1: Identify the contract(s) with customers
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to performance obligations
- Step 5: Recognize Revenue When or As Performance Obligations Are Satisfied

The Company will identify and analyze its performance obligations with respect to customer contracts once the first contract is signed.

Equity based compensation - ASC 718-10-50

The Company did not have any equity-based compensation as of January 17th, 2024 (inception).

Income Taxes

The Company is a pass-through entity therefore any income tax expense or benefit will be the responsibility of the Company’s owners.

Recent accounting pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company follows ASC 850, “Related Party Disclosures,” for the identification of related parties and disclosure of related party transactions.

See Note 7 – Subsequent Events disclosure for the details of agreements entered into with a related party company.

NOTE 4 – CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers. Further, the Company is currently complying with all relevant laws and regulations.

NOTE 5 – DEBT

None.

NOTE 6 – EQUITY

The Company is a limited liability company wholly owned by multiple members. Each member will be entitled to cast votes on any matter based upon the proportion of that member's capital contributions in the Company.

NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated events subsequent to January 17th, 2024 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through February 1, 2024, the date these financial statements were available to be issued.

On January 18th, 2024, the Company entered into a production agreement with a related party company (member) in which the Company acknowledges that the completion of 75% of the production of a film which has been budgeted at \$2,000,000. The term of the agreement will commence for a term of two years. The term may be extended pursuant to the parties' mutual written agreement or as extended. The Company engages the related party company to produce a film currently titled "Passport of Mallam Ilia" with an agreed upon budget of \$2,000,000. The parties agree and acknowledge that the related party company has expended \$1,500,000 towards the production of the film as of the date of the agreement. As consideration for the production services, the Company agrees to pay the outstanding \$1,500,000 to the related party company, in addition to the outstanding \$500,000 necessary for the completion of the film. That amount shall be paid from the proceeds of the distribution of the film, and in accordance with a schedule of repayment or subject to the terms of any investor agreements the Company may agree to with third parties or investors to be executed and determined by the Company; and the \$500,000 shall be paid from funds to be raised, by the Company, from its upcoming crowdfunding offering.

NOTE 8 – GOING CONCERN

The accompanying balance sheet has been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The entity will likely realize losses prior to generating positive working capital for an unknown period of time. The Company's ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. No assurance can be given that the Company will be successful in these efforts. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time.