

**FINANCIAL STATEMENTS**

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**APT SYSTEMS, INC.**  
**FINANCIAL STATEMENTS**  
**(AUDITED)**

**For the Periods Ended January 31, 2016 and 2015**

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**APT SYSTEMS, INC.**  
**Balance Sheets**  
**As of January 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 833	\$ 776
Accounts receivable	1,215	330
Other current assets	8,000	-
Total current assets	<u>10,048</u>	<u>1,106</u>
<b>Other Assets</b>		
Software (net of \$9,191 and \$7,079 accumulated amortization respectively)	<u>2,414</u>	<u>4,526</u>
<b>Total Assets</b>	<b><u>\$ 12,462</u></b>	<b><u>\$ 5,632</u></b>
<b>LIABILITIES &amp; STOCKHOLDERS' DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 90,849	\$ 48,769
Accrued officer compensation	125,300	75,000
Convertible note payable	62,000	50,000
Notes payable – current portion	39,839	7,189
Loan from director	<u>2,672</u>	<u>8,402</u>
Total current liabilities	320,660	189,360
Convertible notes payable – related party	20,621	-
Notes payable, less current portion	<u>5,000</u>	<u>-</u>
Total liabilities	<u>346,281</u>	<u>189,360</u>
<b>STOCKHOLDERS' DEFICIT</b>		
Common stock 0.0001 par value, 200,000,000 shares authorized; 115,941,670 and 8,915,000 shares issued and outstanding as of January 31, 2016 and 2015, respectively.	11,595	892
Additional paid-in capital	235,036	112,608
Accumulated deficit	<u>(580,450)</u>	<u>(297,228)</u>
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<b><u>(333,819)</u></b>	<b><u>(183,728)</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b><u>\$ 12,462</u></b>	<b><u>\$ 5,632</u></b>

The accompanying notes are an integral part of these financial statements

# APT SYSTEMS, INC.

## Statements of Operations

For the years ended January 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Revenue</b>		
Consulting revenue	\$ 20,178	\$ 13,540
E-book sales	<u>21</u>	<u>34</u>
<b>Total Revenue</b>	<u>20,199</u>	<u>13,574</u>
<b>Cost of Revenue</b>		
Contract labor - related party	<u>17,855</u>	<u>11,450</u>
<b>Gross Profit</b>	<u>2,344</u>	<u>2,124</u>
<b>Operating (Income) Expenses</b>		
Amortization	2,112	3,576
Compensation to officer	60,000	60,000
General and administrative	<u>119,892</u>	<u>111,215</u>
<b>Total Operating (Income) Expenses</b>	<u>182,004</u>	<u>174,791</u>
<b>Net Operating Income (Loss)</b>	<u>(179,660)</u>	<u>(174,791)</u>
<b>Other Income (Expense)</b>		
Other income	500	-
Interest expense	(68,938)	(11,479)
Gain on settlement of accounts payable	-	43,492
Loss on conversion of notes payable	<u>(35,124)</u>	<u>-</u>
<b>Total Other Income (Expense)</b>	<u>(103,562)</u>	<u>32,013</u>
<b>Net Loss</b>	<u>\$ (283,222)</u>	<u>\$ (140,654)</u>
<b>Earnings (Loss) per share:</b>		
basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
<b>Weighted average number of common shares outstanding:</b>		
basic and diluted	<u>37,521,722</u>	<u>8,886,589</u>

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**APT SYSTEMS, INC**  
**Statements of Changes in Stockholders' Deficit**  
**For the Years ended January 31, 2016 and 2015**

	Common Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
<b>Balance January 31, 2014, as adjusted for change in par value</b>	<b>8,830,000</b>	<b>\$ 807</b>	<b>\$ 95,693</b>	<b>\$ (156,574)</b>	<b>\$ (60,074)</b>
Common stock issued in settlement of accounts payable at \$0.20 per share	85,000	85	16,915	-	17,000
Net loss for the year ended January 31, 2015	-	-	-	(140,654)	(140,654)
<b>Balance January 31, 2015</b>	<b>8,915,000</b>	<b>\$ 892</b>	<b>\$ 112,608</b>	<b>\$ (297,228)</b>	<b>\$ (183,728)</b>
Issuance of common stock for repayment of notes payable	5,000,000	500	-	-	500
Issuance of common stock for conversion of notes payable	-	-	102,431	-	102,431
Issuance of common stock for conversion of accrued salaries	97,000,000	9,700	-	-	9,700
Issuance of common stock to directors	5,000,000	500	-	-	500
Issuance of common stock for services rendered	26,670	3	19,997	-	20,000
Net loss for the year ended January 31, 2016	-	-	-	(283,222)	(283,222)
<b>Balance January 31, 2016</b>	<b><u>115,941,670</u></b>	<b><u>\$ 11,595</u></b>	<b><u>\$ 235,036</u></b>	<b><u>\$ (580,450)</u></b>	<b><u>\$ (333,819)</u></b>

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**APT SYSTEMS, INC**  
**Statements of Cash Flows**  
**For the Year ended January 31,**

	<b>2016</b>	<b>2015</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net loss	\$ (283,222)	\$ (140,654)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization expense	2,112	3,576
Write off of deferred financing costs	-	11,500
Gain on settlement of accounts payable for stock	-	(38,250)
Gain on settlement of accounts payable by issuance of loan issuance	-	(5,242)
Loss on conversion of notes payable for stock	49,500	-
Issuance of common stock for services rendered	20,000	-
Expense for beneficial conversion feature	67,306	-
Gain on conversion of convertible notes payable	(14,376)	-
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	(885)	(330)
(Increase) in prepaid expenses	(8,000)	-
Increase in accounts payable and accrued expenses	42,081	77,967
Increase in accrued officer compensation	60,000	60,000
<i>Net cash provided by (used in) operating activities</i>	<i>(65,484)</i>	<i>(31,433)</i>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Issuance of loan from director	2,223	6,879
Repayment of loan from director	(7,953)	-
Issuance of convertible notes payable	32,621	-
Issuance of notes payable	38,150	5,000
Issuance of common stock for cash	500	-
Decrease (increase) in deferred financing costs	-	1,500
<i>Net cash provided by financing activities</i>	<i>65,541</i>	<i>13,379</i>
<i>Net change in cash and cash equivalents</i>	57	(18,054)
<i>Cash and cash equivalents at beginning of period</i>	776	18,830
<i>Cash and cash equivalents at end of period</i>	<i>\$ 833</i>	<i>\$ 776</i>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid for :		
Interest	\$ 4,821	\$ 1,378
Income Taxes	\$ -	\$ -
Equity Securities issued for services:		
Loan issued settlement of accounts payable	\$ -	\$ -
Stock issued settlement of accounts payable	\$ -	\$ 55,250
Stock issued settlement of notes payable	\$ 500	\$ -

The accompanying notes are an integral part of these financial statements  
Please refer to SEC.gov site for full financial disclosure for audited year ending January 31, 2016