

FINANCIAL STATEMENTS

APT SYSTEMS, INC.
UNAUDITED FINANCIAL STATEMENTS

For the Three Month Periods Ended April 30, 2016 and 2015

APT Systems, Inc.
Condensed Financial Statements
(Unaudited)

TABLE OF CONTENTS

Condensed Balance Sheets
Condensed Statements of Operations
Condensed Statements of Cash Flows
Notes to Condensed Financial Statements

APT SYSTEMS, INC.
Balance Sheets

	<u>April 30, 2016</u>	<u>January 31, 2016</u>
	<u>(Unaudited)</u>	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,525	\$ 833
Accounts receivable	1,215	1,215
Investments (Cost of \$20,000)	24,434	-
Other current assets	<u>68,483</u>	<u>8,000</u>
Total current assets	95,657	10,048
Other Assets		
Software (net of \$9,691 and \$9,191 accumulated amortization respectively)	<u>1,914</u>	<u>2,414</u>
Total other assets	1,914	2,414
Total Assets	\$ <u>97,571</u>	\$ <u>12,462</u>
LIABILITIES & STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued expenses	\$ 121,925	\$ 90,849
Accrued officer compensation	140,300	125,300
Convertible notes payable, net of discount of \$4,658 and \$0, respectively	115,942	62,000
Notes payable, net of discount of \$2,735 and \$0, respectively	60,104	39,839
Loan from director	<u>338</u>	<u>2,672</u>
Total current liabilities	438,609	320,660
Convertible notes payable - related party	26,276	20,621
Notes payable - less current portion	<u>5,000</u>	<u>5,000</u>
Total Liabilities	469,885	346,281
Stockholders' Deficit		
Common stock \$0.0001 par value, 200,000,000 shares authorized; 16,041,670 and 115,941,670 shares issued and outstanding as of April 30, 2016 and January 31, 2016, respectively.	11,605	11,595
Stock payable	114,000	-
Additional paid-in capital	300,026	235,036
Accumulated deficit	<u>(797,945)</u>	<u>(580,450)</u>
Total Stockholders' Deficit	(372,314)	(333,818)
Total Liabilities and Stockholders' Deficit	\$ <u>97,571</u>	\$ <u>12,462</u>

The accompanying notes are an integral part of these unaudited condensed financial statements.

APT SYSTEMS, INC
Statements of Operations
(Unaudited)

	Three Months Ended April 30, 2016	Three Months Ended April 30, 2015
Revenue		
Consulting revenue	\$ -	\$ 9,513
E-book sales	-	-
Total revenue	<u>-</u>	<u>9,513</u>
Cost of revenue		
Contract labor - related party	-	7,002
Total cost of goods sold	<u>-</u>	<u>7,002</u>
Gross Profit	<u>-</u>	<u>2,511</u>
Operating expenses		
Amortization	3,750	634
Compensation to officer	15,000	15,000
General and administrative	196,065	7,876
Total operating expenses	<u>214,815</u>	<u>23,510</u>
Net operating loss	(214,815)	(23,510)
Other income (expense)		
Unrealized gain on investments	4,434	-
Other income	264	-
Interest expense	(7,378)	(3,663)
Total other income (expense)	<u>(2,680)</u>	<u>(3,663)</u>
Net loss	<u>\$ (217,495)</u>	<u>\$ (24,662)</u>
Loss per share:		
basic and diluted	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding:		
basic and diluted	115,989,448	8,915,000

The accompanying notes are an integral part of these unaudited condensed financial statements.

APT SYSTEMS, INC
Statements of Cash Flows
(Unaudited)

	Three Months Ended April 30, 2016	Three Months Ended April 30, 2015
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net loss	\$ (217,495)	\$ (24,662)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization expense	500	634
Unrealized gain from investment	(4,434)	-
Common stock issued for consulting services	114,000	-
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	-	(1,920)
(Increase) in other current assets	4,517	-
Purchase of investments	(20,000)	-
Increase in accounts payable and accrued expenses	31,076	7,506
Increase in accrued officer compensation	15,000	15,000
<i>Net cash used in operating activities</i>	(76,836)	(3,442)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
<i>Net cash (used in) investing activities</i>	-	-
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Issuance of loan from director	526	2,299
Repayment of loan from director	(2,860)	(2,470)
Issuance of short-term notes payable	74,207	5,000
Issuance of long-term notes payable	5,655	-
<i>Net cash provided by financing activities</i>	77,528	4,829
<i>Net change in cash and cash equivalents</i>	692	1,387
<i>Cash and cash equivalents at beginning of period</i>	833	776
<i>Cash and cash equivalents at end of period</i>	\$ 1,525	\$ 2,163
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for:		
Interest	\$ 1,744	\$ 1,100
Income Taxes	\$ -	\$ -
Equity Securities issued for services:		
Stock issued for the deposit on purchase of intellectual property	\$ 65,000	\$ -

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