

## **Note 1 – NATURE OF OPERATIONS**

Paradigm System Solutions, Inc. ("the Company", "PSYS", "we", "us" or "our") was incorporated under the laws of the State of Arizona in June, 2006. As ESPO East Corp and transformed Paradigm Systems Solutions, Inc., in June 2011.

The Company initially became an OEM reseller for Tough-Boy type, rugged outdoor lap top computers and developing law enforcement and security software for commercial applications. In 2015 the company acquired a new form of software technology application in the financial sector which has now transformed to alternative Crypto-currency applications.

## **Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

### **BASIS OF PRESENTATION**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America and are presented in US dollars. The Company's year-end is March 31.

### *DEVELOPMENT STAGE ENTERPRISE*

The Company is in the development stage as defined under the then current Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915-205 "Development-Stage Entities," and among the additional disclosures required as a development stage company are that our financial statements were identified as those of a development stage company, and that the statements of operations, stockholders' deficit and cash flows disclosed activity since the date of our inception in (June, 2006) as a development stage company. Effective June 10, 2014 FASB changed its regulations with respect to Development Stage Entities and these additional disclosures are no longer required for annual reporting periods beginning after December 15, 2014 with the option for entities to early adopt these new provisions. The Company has elected to early adopt these provisions and consequently these additional disclosures have not been included in these financial statements.

### *ESTIMATES*

The preparation of the financial statement in conformity with generally accepted accounting principles 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 period. Actual results could differ from those estimates.

### *CASH AND CASH EQUIVALENTS*

The Company maintains a cash balance in a non-interest-bearing account that currently does not exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of June 30, 2015 or 2014.

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### *ACCOUNTS RECEIVABLE*

Trade receivables are carried at original invoice amount. Accounts receivable are written off to bad debt expense using the direct write-off method. Receivables past due for more than 120 days are considered

delinquent. Management determines uncollectible accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions and by using historical experience applied to an aging of accounts. Recoveries of trade receivables previously written off are recorded when received

#### *INVENTORY*

Inventory is recorded at lower of cost or market; cost is computed on a first-in first-out basis. Inventory consists of pet pain relief products.

#### *FINANCIAL INSTRUMENTS*

Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. Accounting Standards Codification ("ASC") 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. ASC 820 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and must be used to measure fair value whenever available.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs which reflect a reporting entity's own assumptions about the assumptions that market participants would use for pricing an asset or liability. For example, level 3 inputs would relate to forecasts of future earnings and cash flows used in a discounted future cash flows method.

The recorded amounts of financial instruments, comprising cash and income tax payable, approximate their market values as of June 30, 2015 due to the short term maturities of these financial instruments.

#### *PROPERTY AND EQUIPMENT*

The Company values its investment in property and equipment at cost less accumulated depreciation. Depreciation is computed primarily by the straight line method over the estimated useful lives of the assets ranging from three to five years.

#### *WEBSITE DEVELOPMENT COSTS*

Under ASC350-50, *Website Development Costs*, costs and expenses incurred during the planning and operating stages of the Company's website are expensed as incurred. Under ASC 350-50, costs incurred in the website application and infrastructure development stages are capitalized by the Company and amortized to expense over the website's estimated useful life or period of benefit which is estimated to be 5 years.

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#### *OTHER INTANGIBLE ASSETS*

Formula

#### *IMPAIRMENT OF LONG-LIVED ASSETS*

The Company evaluates the recoverability of long-lived assets and the related estimated remaining lives at each balance sheet date. The Company records an impairment or change in useful life whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed.

#### *REVENUE RECOGNITION*

The Company recognizes revenue in accordance with Accounting Standards Codification No. 605, "Revenue Recognition" ("ASC-605"), and ASC-605 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company will defer any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

The Company's revenues have been generated primarily through sublicense and distribution agreements.

For the year ended March 31, 2015, all license payments met the above criteria or in the case of one contract, the only continuing involvement was to sell our products to the distributor at pricing that is consistent with market transactions, thereby allowing for the recognition of revenue for the licensing and distribution arrangements upon receipt.

When non-refundable license fees do not meet this criteria, the license revenues are recognized over the expected period of performance. We periodically review for any expected period of substantial involvement under the agreements that provide for non-refundable up-front payments and license fees. If ever applicable, we will adjust the amortization periods when appropriate to reflect changes in assumptions relating to the duration of our expected involvement.

#### *ADVERTISING COSTS*

The Company's policy regarding advertising is to expense advertising when incurred. The Company incurred advertising expense of \$0 during the years ended June 30, 2015 or 2014.

#### *STOCK BASED COMPENSATION*

The Company recognizes stock-based compensation in accordance with ASC Topic 718 "Stock Compensation", which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to an Employee Stock Purchase Plan based on the estimated fair values. For non-employee stock-based compensation, we have adopted ASC Topic 505 "Equity-Based Payments to Non-Employees", which requires stock-based compensation related to non-employees to be accounted for based on the fair value of the related stock or options or the fair value of the services on the grant date, whichever is more readily determinable in accordance with ASC Topic 718.

#### *NET INCOME (LOSS) PER SHARE OF COMMON STOCK*

The Company computes net income (loss) per share in accordance with ASC 105, "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of outstanding common shares during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive.

#### *RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS*

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on our financial condition or the results of its operations other than in respect of the early adoption of the new regulations relating to Development Stage Entities as discussed above.

#### **Note 3 – GOING CONCERN**

The financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2015 the Company had yet to establish a proven, reliable, recurring source of revenue to fund its ongoing operating costs and with insufficient funds to fully implement its proposed business plan. This raises substantial doubt about the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. The Company is contemplating conducting an offering of its debt or equity securities to obtain additional operating capital. The Company is dependent upon its ability, and will continue to attempt, to secure equity and/or debt financing. There are no assurances that the Company will be successful and without sufficient financing it would be unlikely for the Company to continue as a going concern.

#### **Note 4 – PROMISSORY NOTES**

A Two year (straight note) Promissory Note with a private investor for \$65,000 was executed on 4-14-2014 at 8% per annum for payment of the company's current and upcoming bills.

A Two year (straight note) Promissory Note with a private investor for \$80,000 was executed on 9-12-2014 at 8% per annum to pay company bills and continued S2B app development.

A One Year (straight note) Promissory Note with a private investor for \$35,000 was executed on 1-5—2015 at 8% per annum for further development of the S2B software app.

A One Year (straight note) Promissory Note with a private investor for \$70,000 was executed on 5-4-2014 for continued app development and production of pre-launch marketing materials.

#### **Note 5 –LICENSING AGREEMENTS**

EXAMPLE-On May 1, 2014, we signed a contract for the sale of a licensing agreement for \$75,000 which still remains unpaid and remains an open item as accounts receivable on the balance sheet. Accordingly we have recognized in full the \$75,000 invoiced from the sale of these licensing rights as revenue during the period.

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#### **Note 6– INCOME TAXES**

We account for income taxes in accordance with FASB ASC 740, *Income Taxes* which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that

have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Under FASB ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

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#### **Note 7 – COMMITMENTS AND CONTINGENCIES**

##### *Contractual obligation*

We did not enter into any long term contractual obligations during the years ended June 30, 2015 or 2014.

##### *Litigation*

We were not subject to any legal proceedings during the years ended June 30, 2015 or 2014 and no legal proceedings are currently pending or threatened to the best of our knowledge.

#### **Note 8 – COMMON STOCK**

The Company is authorized to issue 100 million shares of common stock with \$0.001 par value.

As of June 30<sup>th</sup> 2015 the issued and outstanding common stock were 23,200,000 shares.

As of June 30<sup>th</sup> 2015 The Company has not issued any additional shares.

#### **Note 9 – SUBSEQUENT EVENTS**

Management has reviewed events between June 30, 2015 to the date that the financials were issued, on September 30th, 2015, and there were no additional significant events identified for disclosure.

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