FORWARD LOOKING STATEMENTS

THE FOLLOWING DISCUSSION SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND RELATED NOTES CONTAINED ELSEWHERE IN THIS FILING. CERTAIN STATEMENTS MADE IN THIS DISCUSSION ARE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. FORWARD-LOOKING STATEMENTS CAN BE IDENTIFIED BY TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECTS," "INTENDS," "ANTICIPATES," "BELIEVES," "ESTIMATES," "PREDICTS," OR "CONTINUE" OR THE NEGATIVE OF THESE TERMS OR OTHER COMPARABLE TERMINOLOGY AND INCLUDE, WITHOUT LIMITATION, STATEMENTS BELOW " REGARDING: THE COMPANY'S ABILITY TO CONTINUE AS A GOING CONCERN; THE COMPANY'S BUSINESS PLANS; TIMING OF PLANNED PRODUCT ROLLOUTS; EXPECTATIONS AS TO PRODUCT PERFORMANCE; EXPECTATIONS AS TO MARKET ACCEPTANCE OF THE COMPANY'S PRODUCTS; AND BELIEF AS TO THE SUFFICIENCY OF CASH RESERVES. BECAUSE FORWARD-LOOKING STATEMENTS INVOLVE RISKS AND UNCERTAINTIES, THERE ARE IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO, THE COMPANY'S ABILITY TO CONTINUE AS A GOING CONCERN, THE COMPANY'S ABILITY TO OBTAIN NECESSARY FINANCING; SUFFICIENCY OF CASH RESERVES; SUCCESS OF RESTRUCTURED OPERATIONS; ORDER BACKLOG RESULTING IN REVENUES; THE COMPETITIVE ENVIRONMENT GENERALLY AND IN THE COMPANY'S SPECIFIC MARKET AREAS; CHANGES IN TECHNOLOGY; THE AVAILABILITY OF AND THE TERMS OF FINANCING; INFLATION; CHANGES IN COSTS AND TECHNOLOGY; THE AVAILABILITY OF AND THE TERMS OF FINANCING; INFLATION; CHANGES IN COSTS AND MARKET AREAS; DEMOGRAPHIC CHANGES; CHANGES IN FEDERAL, STATE AND /OR LOCAL GOVERNMENT LAW AND REGULATIONS AFFECTING THE TECHNOLOGY; CHANGES IN OPERATING STRATEGY OR DEVELOPMENT PLANS; AND THE ABILITY TO ATTRACT AND RETAIN QUALIFIED PERSONNEL. ALTHOUGH THE COMPANY BELIEVES THAT EXPECTATIONS REFLECTED IN THE FORWARD-LOOKING STATEMENTS ARE REASONABLE, IT CANNOT GUARANTEE FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS. MOREOVER, NEITHER THE COMPANY NOR ANY OTHER PERSON ASSUMES RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THESE FORWARD-LOOKING STATEMENTS. THE COMPANY IS UNDER NO DUTY TO UPDATE ANY FORWARD-LOOKING STATEMENTS AFTER THE DATE OF THIS REPORT TO CONFORM SUCH STATEMENTS TO ACTUAL RESULTS.

PART I

BUSINESS

Overview

SPO Global Inc. ("we" or the "Company") is engaged in the design, development, selling and S.P.O. (SOFTWARE PERFORMANCE OPTIMIZATION) GLOBAL INC, and subsidiaries is a company that is focused on acquiring performance optimization software IP for all enterprise applications. The focus of SPO is to acquire unique software companies that own outright valuable IP with a proven verifiable customer base.

The Company is incorporated under the laws of the State of Delaware.

On the 23rd of December, 2015 SPO GLOBAL, INC. (OTC:SPOM) executed a Stock Exchange Agreement (Merger) for the purchase of a 93.94% interest in the UK company, Reflective Solutions Ltd. ("Reflective"), a performance software testing company . Under the SEA, the selling shareholders of Reflective received 1433 shares of SPO restricted common stock for every 1 share held, for a total issuance by SPO of 46,980,905 restrictive common shares.

The Merger is accounted for as a reverse-merger and recapitalization. Reflective is the acquirer for financial reporting purposes and SPO is the acquired company. Consequently, the assets and liabilities and the operations that are reflected in the historical financial statements prior to the Merger are those of Reflective and are recorded at the historical cost basis of Reflective, and the consolidated financial statements after completion of the Merger include the assets, liabilities and operations of SPO and Reflective, from the closing date of the Merger. Therefore, the historical equity accounts of Reflective including par value per share, share and per share numbers included in the 2014 financial statements, have been adjusted to reflect the number of shares received in the Merger.

On the 31st December 2015, SPO Global entered into a Purchase Agreement with Elepho, Inc., a DE company, owned by Michael Braunold, the Company's former CEO and President, to sell its remaining interests in SPO Medical Equipment, LTD. The Company had previously entered into a Settlement Agreement with Mr. Braunold, wherein the Company granted him a perpetual, exclusive, license to the IP and SPO technology held by SPO Medical Ltd, in exchange for, among other things, his release of all sums owed to him by the Company.

Background of Reflective Solutions Ltd

Reflective Solutions Ltd is a United Kingdom Entity that was formed in 1998 as a Java Based consultancy.

In 2006 the company began the development of a performance testing product with the brand name " Stress Tester " This is a software solution that has been uniquely designed to test a variety of Enterprise Software Applications that require extensive performance testing before a rollout as well testing on applications that have been deployed .

In 2012 the company started developing a product called " Sentinel " that has been designed to provide continuous monitoring and performance on server applications .

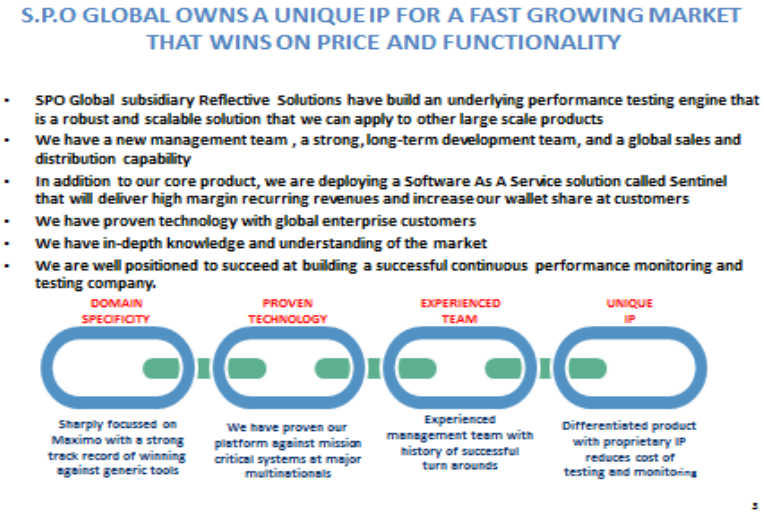
In 2015 the company has started to develop a SAS (Software as Service) solution to its existing customers as well as to its database of potential customers.

The company has coded and developed its own unique IP (Intellectual Property) that is continually being supported and maintained by the company development team.

The company has a long history of working with leading enterprise customers throughout the world, and has developed extensive relationships with large resellers and integrators and consulting firms.

Reflective Solutions Software

The company sells two main software products that have been developed by the company and have proven their robust performance for customers. As illustrated below we position our company in the market.



Reflective Solutions "Stress Tester "

The company main software solution is called " Stress Tester " an Intelligent Performance Testing tool. Stress Tester enables users to quickly create real-life performance tests, and identify potential performance problems and eliminates bottlenecks in all web and server applications.

Stress Tester is able to create real world testing scenarios across multiple sites around the world so that our customers can catch problems early, before they show up in production and in rollout.

Our enterprise class stress testing software provides comprehensive analysis of the performance, scalability and load capacity of our customers applications, whilst simultaneously monitoring the underlying server and infrastructure resources.

StressTester™ is proven to reduce project timescales, and allows performance testing to be undertaken more regularly and more efficiently, whilst considerably lowering the risks of incorrect testing and saving our customers substantial cost savings.

Reflective Solutions "Stress Tester " and MAXIMO (IBM Software)

The company is a partner with IBM and has developed our product Stress Tester to closely work with IBM leading software solution called Maximo .

Stress Tester unique way of working with Maximo gives it a leading a market edge and provides the company with a large market opportunity. Below is a Gartner magic circle illustration of Maximo position in the market for EAM (Enterprise Asset Management Solutions)

S.P.O. GLOBAL INC

IBM MAXIMO MARKET POSITION



- Gartner, IDC, Forrester, and ARC all recognize Maximo Enterprise Asset Management as the clear industry leader compared to Oracle
- Maximo is the global market-share leader for EAM which ensures further investment in the product

18

Our Key advantages with our products for the IBM Maximo EAM solution are illustrated as follows below.

S.P.O. GLOBAL INC

Our unique products give us a competitive advantage

- **Stress Tester™ for Maximo**

Highly focussed stress testing tool uniquely designed for IBM Maximo

Significantly reduces timescales and complexity of performance testing Maximo

Contains specific features that increase productivity of users testing Maximo.

Flexible licensing models allow partners to drive significant related services revenues

Underlying engine flexible enough to be customised for other specialist applications.

- **Sentinel™ for Maximo**

Highly focussed monitoring tool uniquely designed for IBM Maximo

We have the capability to reduce the support overhead for Maximo support and maintenance by providing a SAAS based platform.

We also provide as a managed service to reduce operational costs for companies

Sentinel has begun to generate sticky recurring revenue

7

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Reflective Solutions " Sentinel "

The company in 2014 through to the end of 2015 developed a new product called "Sentinel" which is a 24 /7 Performance Monitoring Tool that actively monitors the performance and availability of critical transactions within our customers recorded user paths applications (including IBM Maximo) from the perspectives of the users and the underlying systems.

Fast And Powerful : "Sentinel" leverages the proven test scenario design capabilities of "Stress Tester" to quickly create realistic monitoring profiles. Wizards, checkers, and pickers make designing complex use cases simple and a similar GUI-based approach is used when configuring monitoring profiles in "Sentinel."

Below is an illustration of our new product "Sentinel"



Business Strategy

SPO Global Inc.'s mission is to build a profitable business that focuses on unique performance and monitoring testing software with a SAS (software as Service) model as well as selling direct or through partners to enterprises throughout the world.

SPO Global and its subsidiary focus on growing the market will thereby increase stockholder value. Below is an illustration of our business strategy



To achieve our objectives, we are pursuing the following business strategies:

Increasing growth potential by pursuing new market opportunities. Through our new email marketing campaign as well as attending focused user group trade shows.

We are also developing our relationships with large software distributors and resellers in a number of key markets .

The company recently signed an exclusive distribution agreement in Japan as well as Italy and Brazil.

Partner with highly qualified, focused companies, internationally . We intend to continue to seek out collaborative arrangements with leading international Software Companies and develop our existing relationship with IBM where we are a registered partner.

We have identified a number of new potential partners for our products, are in discussion with a significant worldwide partner although there can be no assurance that we will be able to enter into any such collaborative arrangement

Research and Development . Subject to raising additional capital, our research and development strategy in the near future will focus on developing our software across a broad range of platforms including SAP, Microsoft and Oracle .

Significant Customers

In 2015 the company sold its Stress Tester software to a number of significant large enterprises. LAX (Los Angeles Airport) LHR (London Heathrow Airport) Nova Scotia Power in Halifax , Canada , Koch Industries USA, Melbourne Water, Australia.

Development

All the software coding and development takes place in Sofia, Bulgaria, The team are all full time employees of Reflective Solutions Bulgaria Ltd, which is a 100% owned company by its parent Reflective Solutions Ltd.

Marketing and Sales Organization

Following the restructuring of our business operations in 2015, we are actively focused on a number of e mail campaigns and attending focused trade shows in North America and EEMA.

The company has recently hired a marketing focused person who is working full time in building up the company presence and producing the e mail campaign e shots .

The main focus of sales is through the company CEO, who leads the sales directly and works with consultants and resellers,

Patents and Proprietary Information

We currently are considering registering a number of patents though there is no current application made as of this time.

Employees

As of December 2015, we had 7 employees working on a full time basis. None of these employees are subject to collective bargaining agreements.

Competition

We believe that most of the companies that offer similar solutions do not have the unique way of functionality and ease of use that our products currently offer.

We have a significant price advantage as well as unique functionality that enables potential customers to make significant cost savings and implement our technology faster and easier with substantially less cost than the competition,

Our competitors include Neosyst a French privately owned company as well as HP Loadrunner the market leader in Performance Testing Software.

AVAILABLE INFORMATION

Our Internet website is located at http://www.spoglobal.com . This reference to our Internet website does not constitute incorporation by reference in this report of the information contained on or hyperlinked from our Internet website and such information should not be considered part of this report.

RISK FACTORS

The following risk factors should be considered carefully in addition to the other information presented in this report. This report contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, the following

RISKS RELATED TO OUR BUSINESS

WE NEED ADDITIONAL FINANCING TO EXECUTE OUR BUSINESS PLAN AND GROW THE COMPANY

We believe that our existing cash resources are insufficient to enable us to grow the business and execute our business plan to grow significantly the business.

We are obliged to pay our outstanding loans which are currently due and payable. Our currently existing cash resources from sales will however enable us to maintain operations as present so long as we do not settle any of our loans that are scheduled to mature during the period.

Unless we raise additional funds or generate fees on an immediate basis, whether through the issuance of our securities, licensing fees for our technology or otherwise, we will be required to scale back operations. If we are unsuccessful in these efforts, we may consequently have to cease operations entirely. Without adequate funding, we also may not be able to accelerate the development and deployment of our products, respond to competitive pressures and develop new or enhanced products.

At the present time, we have no commitments for any financing, and there can be no assurance that capital will be available to us on commercially present time. A lack of financing could lead to abandonment of one or more of our development initiatives, as well as prevent us from responding to competitive pressures or take advantage of unanticipated acquisition opportunities. In addition we have a number of outstanding amounts owed to suppliers and professional service providers.

Any additional equity financing may be dilutive to stockholders, and debt and certain types of equity financing, if available, may involve restrictive covenants or other provisions that would limit how we conduct our business or finance our operations.

Even if we raise funds to address our immediate working capital requirements, we also may be required to seek additional financing in the future to respond to increased expenses or shortfalls in anticipated revenues, accelerate product development and deployment, respond to competitive pressures, develop new or enhanced products, or take advantage of unanticipated acquisition opportunities.

WE HAVE A HISTORY OF LOSSES AND EXPECT TO INCUR LOSSES AND NEGATIVE OPERATING CASH FLOWS IN THE FUTURE.

These conditions raise substantial doubt as to our ability to continue as a going concern and may make it more difficult for us to raise additional capital when needed. The accompanying consolidated financial statements do not include any adjustments relating to the recoverability of reported assets or liabilities should we be unable to continue as a going concern.

WE DO NOT HAVE A LONG OPERATING HISTORY, WHICH MAKES IT DIFFICULT FOR YOU TO EVALUATE OUR BUSINESS.

On the 23rd of December, 2015 SPO GLOBAL, INC. (OTC:SPOM) executed a Stock Exchange Agreement (Merger) for the purchase of a 93.94% interest in the UK company, Reflective Solutions Ltd. (“Reflective”), a performance software testing company . Accordingly, there is limited historical information regarding our revenue trends and operations upon which investors can evaluate our business. Our prospects must be considered in light of the substantial risks, expenses, uncertainties and difficulties encountered by entrants into the software performance industry, which is characterized by increasing intense competition.

OUR PRODUCTS USE NOVEL TECHNOLOGIES OR APPLY TECHNOLOGIES IN MORE INNOVATIVE WAYS THAN OTHER COMPETING SOFTWARE COMPANIES AND ARE OR WILL BE NEW TO THE MARKET; ACCORDINGLY, WE MAY NOT BE SUCCESSFUL IN ACHIEVING WIDE ACCEPTANCE OF OUR PRODUCTS AND OUR OPERATIONS AND GROWTH WOULD BE ADVERSELY AFFECTED.

OUR CHIEF EXECUTIVE OFFICER HAS CONTROL OVER KEY DECISION MAKING AS A RESULT OF HIS CONTROL OF A MAJORITY OF OUR VOTING STOCK.

Owen Dukes, our President and Chief Executive Officer, is able to exercise voting rights with respect to a majority of the voting power of our outstanding capital stock and therefore has the ability to control the outcome of matters submitted to our stockholders for approval.

This concentrated control could also discourage a potential investor from acquiring our common stock due to the limited voting power of such stock relative to the Series A Preferred Stock, $0.01 par value per share, held by Mr. Dukes and might harm the trading price of our common stock. As a board member and officer, Mr. Dukes owes a fiduciary duty to our stockholders and must act in good faith in a manner he reasonably believes to be in the best interests of our stockholders. As a stockholder, even a controlling stockholder, Mr. Dukes is entitled to vote his shares in his own interests, which may not always be in the interests of our stockholders generally.

THERE IS NO ESTABLISHED MARKET FOR OUR COMMON STOCK AND NONE MAY DEVELOP OR BE SUSTAINED.

Our Common Stock has been quoted on the OTC Market (Pink Sheets) under the symbol "SPOM". The OTC Market (Pink Sheets) is a centralized quotation service that collects and publishes market maker quotes in real time. Because our stock does not trade on a national securities exchange this may affect the liquidity of our Common Stock.

There has been very limited trading activity in our Common Stock. There can be no assurance that a more active or established trading market will commence in our securities. Further, in the event that an established trading market commences, there can be no assurance as to the level of any market price of our shares of common stock, whether any trading market will provide liquidity to investors, or whether any trading market will be sustained. Investors should be aware that our stock may be illiquid

FUTURE SALES OF COMMON STOCK OR OTHER DILUTIVE EVENTS MAY ADVERSELY AFFECT PREVAILING MARKET PRICES FOR OUR COMMON STOCK.

As of December 31, 2015, we had 100 million authorized shares of Common Stock, of which 56,001,116 shares of our Common Stock were issued and outstanding.
Our board of directors has the authority, without further action or vote of our stockholders, to issue all or any part of the shares of our Common Stock that are authorized for issuance and neither issued nor reserved for issuance. Additionally, we require additional funds to continue to meet our liquidity needs and maintain our operations as presently conducted and to realize our business plan. Such stock issuances may be made at a price that reflects a discount from the then-current trading price of our Common Stock. In order to raise capital that we need at today's stock prices, we would likely need to issue securities that are convertible into or exercisable for a significant number of shares of our Common Stock.
The shares of Common Stock issuable upon conversion of our securities or the outstanding shares are saleable without restriction. Any of these issuances will dilute the percentage ownership interests of our current stockholders, which will have the effect of reducing their influence on matters on which our stockholders vote, and might dilute the book value and market value of our Common Stock.

OUR STOCK PRICE MAY BE VOLATILE.

There is a very limited market for our stock. The market price of our common stock will likely fluctuate significantly in response to the following factors, some of which are beyond our control:

ADDITIONAL BURDENS IMPOSED UPON BROKER-DEALERS BY THE APPLICATION OF THE "PENNY STOCK" RULES TO OUR COMMON STOCK MAY LIMIT THE MARKET FOR OUR COMMON STOCK.

OUR BOARD OF DIRECTORS' RIGHT TO AUTHORIZE THE ISSUANCE OF ADDITIONAL SHARES OF PREFERRED STOCK COULD ADVERSELY IMPACT THE RIGHTS OF HOLDERS OF OUR COMMON STOCK.

Our board of directors currently has the right to designate and authorize the issuance of our preferred stock, in one or more series, with such voting, dividend and other rights as our directors may determine. The board of directors can designate new series of preferred stock without the approval of the holders of our Common Stock. The rights of holders of our Common Stock may be adversely

affected by the rights of any holders of shares of preferred stock that may be issued in the future, including without limitation dilution of the equity ownership.

PROPERTIES

Reflective Solutions Ltd. leases office space for 4,400 GBP per quarter. The lease expires July 31, 2016.

Reflective Solutions Inc. leases office space for $750 per month. The lease expires December 31, 2017.

Reflective Solutions Bulgaria Ltd. leases office space for $1000 per month. The lease expires December 31, 2018.

Future minimum lease payments are as follows:

Years ended December 31,	
2016	$34,000
2017	$21,000
2018	$12,000

LEGAL PROCEEDINGS

There are no material pending legal proceedings to which we are a party or to which any of our properties are subject. There are no material proceedings known to us to be contemplated by any governmental authority.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY,

Our Common Stock is quoted on the OTC Market (Pink Sheets) under the symbol "SPOM". Trading of our Common Stock has been sporadic and limited. There can be no assurance that an established trading market will develop, that the current market will be maintained or that a liquid market for our Common Stock will be available in the future. Investors should not rely on historical stock price performance as an indication of future price performance.
As of Dec 31, 2015, there were approximately 159 holders of record of our Common Stock. We believe that a number of shares of our Common Stock are held in either nominee name or street name brokerage accounts and, consequently, we are unable to determine the exact number of beneficial owners of our stock.

DIVIDEND POLICY
We have paid no dividends on our Common Stock and do not expect to pay cash dividends in the foreseeable future with respect to the Common Stock. It is the present policy of our board of directors to retain all earnings to provide funds for our growth.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

.
THE FOLLOWING DISCUSSION SHOULD BE READ IN CONJUNCTION WITH OUR FINANCIAL STATEMENTS AND THE NOTES RELATED TO THOSE STATEMENTS. SOME OF OUR DISCUSSION IS FORWARD-LOOKING AND INVOLVES RISK UNCERTAINTIES. FOR INFORMATION REGARDING RISK FACTORS THAT COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, REFER TO THE RISK FACTORS SECTION OF THIS ANNUAL REPORT.

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

OVERVIEW

SPO Global Inc. ("we" or the "Company") is engaged in the design, development, selling and S.P.O. (SOFTWARE PERFORMANCE OPTIMIZATION) GLOBAL INC, and subsidiaries is a company that is focused on acquiring performance optimization software IP for all enterprise applications. The focus of SPO is to acquire unique software companies that own outright valuable IP with a proven verifiable customer base.

The Company is incorporated under the laws of the State of Delaware.

On the 23rd of December, 2015 SPO GLOBAL, INC. (OTC:SPOM) executed a Stock Exchange Agreement (Merger) for the purchase of a 93.94% interest in the UK company, Reflective Solutions Ltd. ("Reflective"), a performance software testing company . Under the SEA, the selling shareholders of Reflective received 1433 shares of SPO restricted common stock for every 1 share held, for a total issuance by SPO of 46,980,905 restrictive common shares.

The Merger is accounted for as a reverse-merger and recapitalization. Reflective is the acquirer for financial reporting purposes and SPO is the acquired company. Consequently, the assets and liabilities and the operations that are reflected in the historical financial statements prior to the Merger are those of Reflective and are recorded at the historical cost basis of Reflective, and the consolidated financial statements after completion of the Merger include the assets, liabilities and operations of SPO and Reflective, from the closing date of the Merger. Therefore, the historical equity accounts of Reflective including par value per share, share and per share numbers included in the 2014 financial statements, have been adjusted to reflect the number of shares received in the Merger.

On the 31st December 2015, SPO Global entered into a Purchase Agreement with Elepho, Inc., a DE company, owned by Michael Braunold, the Company's former CEO and President, to sell its remaining interests in SPO Medical Equipment, LTD. The Company had previously entered into a Settlement Agreement with Mr. Braunold, wherein the Company granted him a perpetual, exclusive, license to the IP and SPO technology held by SPO Medical Ltd, in exchange for, among other things, his release of all sums owed to him by the Company.

Background of Reflective Solutions Ltd

Reflective Solutions Ltd is a United Kingdom Entity that was formed in 1998 as a Java Based consultancy.

In 2006 the company began the development of a performance testing product with the brand name " Stress Tester " This is a software solution that has been uniquely designed to test a variety of Enterprise Software Applications that require extensive performance testing before a rollout as well testing on applications that have been deployed .

In 2012 the company started developing a product called " Sentinel " that has been designed to provide continuous monitoring and performance on server applications .

In 2015 the company has started to develop a SAS (Software as Service) solution to its existing customers as well as to its database of potential customers.

The company has coded and developed its own unique IP (Intellectual Property) that is continually being supported and maintained by the company development team.

The company has a long history of working with leading enterprise customers throughout the world, and has developed extensive relationships with large resellers and integrators and consulting firms.

Current Operational Highlights

In 2015 we have sold our software to number of leading enterprise companies around the world. We have sold to LX (Los Angeles Airport) and are continuing in discussions with them to increase our relationship and business. We have sold to TFL (Transport for London) that operates the subway and infrastructure for London and are continuing in discussions with them to increase our relationship and business. We have sold our software to Nova Scotia Power , in Canada and are continuing in discussions with them to increase our relationship and business.

We have signed as a registered partner with IBM worldwide and we and are continuing in discussions with them to increase our relationship and business

We have signed an exclusive partnership and distributor relationship in Japan and are continuing in discussions with them to increase our relationship and business

We have worked with a number of large recognised integrators and have supplied our software to London Heathrow Airport as well other large enterprises through these relationships.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based upon our unaudited consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to revenue recognition, bad debts, investments, intangible assets and income taxes. Our estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

We have identified the accounting policies below as critical to our business operations and the understanding of our results of operations.

REVENUE RECOGNITION

We generate revenues principally from software licenses , support contracts and the provision of performance testing consultancy and install services.
Revenues generated from software licenses are recognized when such products are shipped; Support and maintenance sales are recognized when such services are performed.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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.

COMPARISON OF THE YEAR ENDED DECEMBER 31, 2015 (the "2015 Period") AND THE YEAR ENDED DECEMBER 31, 2014
(the "2014 Period")

REVENUES . Revenues for the 2015 Period were $301,136 compared to $370,773 in the 2014 Period. The decrease in revenues during the 2015 Period as compared to the 2014 Period is attributable to a change in ownership and management in 2015.

COSTS OF REVENUES . Costs of revenues include all costs related to products sold. Costs of revenues for the 2015 Period were $13,111 compared to $28,536 for the 2014 Period. The decrease in cost of revenues is primarily attributable to a change in ownership and management in 2015

RESEARCH AND DEVELOPMENT EXPENSES. Research and development expenses consist primarily of expenses incurred in the design, development and testing of our products
These expenses consist primarily of software coding, developers and testing services, for the 2015 Period were $123,825 compared to $23,945 for the 2014 Period. The increase in research and development is primarily attributable to new investment and expansion of the software team.

SELLING AND MARKETING EXPENSES. Selling and marketing expenses consist primarily of costs relating to compensation attributable to consultants for the provision of e shots and email campaigns and trade shows. Selling and marketing expenses for 2015 Period were $27,051 compared to $49,390. The decrease in selling and marketing expenses in the 2015 Period as compared to the 2014 Period is primarily attributable to the change of ownership and new management.

GENERAL AND ADMINISTRATIVE EXPENSES . General and administrative expenses primarily consist of salaries and other related costs for personnel in executive and other administrative functions. Other significant costs include professional fees for legal and accounting services. General and administrative expenses for the 2015 Period were $424,197 compared to $420,308 for the 2014 Period. The increase in general and administrative expenses is primarily attributable to the change of ownership and new management.

NET LOSS . For the 2015 Period and 2014 Period, we had a net loss of $329,925 and $172,699 respectively. The increase in net loss for the 2015 Period compared to the 2014 Period is primarily attributable to the change of ownership and new management

Recently Issued Accounting Pronouncements
During 2015, there were no recently issued accounting pronouncements which were issued and which have relevancy to our business.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE
None.

PART III

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE
Management

The individuals who serve as our executive officers and directors are:
Owen R Dukes 46 Chief Executive Officer and Chairman of the Board.
Michael Braunold 56 Non Executive Director

The business experience, principal occupations and employment, as well as the periods of service, of each of our directors and executive officers during at least the last five years are set forth below.

Mr OWEN DUKES is a the Chief Executive Officer and Chairman of the company.

Owen Dukes has twenty years of extensive industry experience. He has worked for Phoenix Software, the leading Microsoft reseller, as their UK channel manager from 1993 to 2000. Owen Dukes then worked as Business Development Manager for Surf Control PLC, from 2000 to 2001, developing their UK market to a multi-million pound enterprise. Also in 2000, he launched Arc Technology Distribution Ltd, and purchased two other distributors, Unidirect Ltd and IPconnect Ltd. Owen Dukes successfully sold his equity to the existing management in 2006.

In July 2005, Owen Dukes co-founded Thinspace Technology Inc. a publicly traded cloud application corporation and served as the CEO of the group. In May 2014 the company was sold to outside equity fund and currently serves on the UK board of directors.

Mr Owen Dukes as Chief Executive Officer of the company along with his seasoned corporate experience makes him well suited to confront the
challenges our company faces.

MICHAEL BRAUNOLD is a non executive director of the company.

Prior to December 2015, he had been Chief Executive Officer of SPO Ltd. since March 1998 and resigned of all executive positions on December 23, 2015.
Prior to March 1998, Mr. Braunold was Senior Director of Business Development at Scitex Corporation Ltd., a multinational corporation specializing in visual information communication. In such capacity, Mr. Braunold played a strategic role in managing a team of profess within the worldwide organization, including a period in the United States as Vice President of an American subsidiary of Scitex sionals assigned to M&A activities. During his 12-year tenure at Scitex, he held various positions. From March 2000 through September 2000, Mr. Braunold was also the Chief Executive Officer and Chairman of Ambient Corporation, a Delaware company, that specializes in the implementation of a proposed comprehensive high-speed communication infrastructure.

Mr. Braunold obtained a Bachelor of Science degree with honors in Engineering and Management Sciences from Imperial College Business School, London.

EXECUTIVE COMPENSATION

The following table sets forth all compensation for the last fiscal year awarded to, earned by, or paid to our Chief Executive Officer, our sole executive officer (the "Named Executive Officer").

SUMMARY COMPENSATION TABLE

Name & Principal Position	Year	Salary	Bonus	Option Awards	All Other Compensation	Total
OWEN R DUKES President and Chief Executive Officer	2015	$ 60,000 (1)	($) NIL	($) NIL	($) NIL	$ 60,000

(1) Of this amount, $15,000 was paid in 2015 and $45,000 is being deferred.

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

SPO GLOBAL INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 141,637	$ 14,110
Accounts receivable	14,101	52,936
Prepaid expenses and other accounts receivable	14,864	15,552
Total current assets	170,602	82,598
Total assets	$ 170,602	$ 82,598
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities		
Short-term loans	$ 1,558,949	$ -
Accounts payable	247,075	108,287
Loan payable	5,000	-
Accrued expenses and other liabilities	44,466	8,368
Total current liabilities	1,855,490	116,655
Long-Term Liabilities		
Convertible note payable	63,474	-
Derivative liability	108,283	-
Notes payable	313,952	329,435
Total liabilities	2,341,199	446,090
COMMITMENTS AND CONTINGENT LIABILITIES		
STOCKHOLDERS' DEFICIENCY		
Preferred stock $0.01 par value Authorized - 2,000,000 shares, issued and outstanding - 100 Series A shares	1	1
Common stock $0.01 par value- Authorized - 100,000,000 shares, issued and outstanding - 56,001,116 and 46,980,905 shares, respectively	560,011	469,809
Additional paid-in capital	508	-
Accumulated other comprehensive income	8,760	39,896
Accumulated deficit	(2,675,871)	(873,197)
Total stockholders' deficiency	(2,106,592)	(363,492)
Non-controlling interest	(64,005)	-
Total deficiency	(2,170,597)	(363,492)
Total liabilities and stockholders' deficiency	$ 170,602	$ 82,598

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

SPO GLOBAL INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Years ended December 31,	
	2015	**2014**
Revenues	$ 301,136	$ 370,773
Cost of revenues	13,111	28,536
Gross profit	288,025	342,237
Operating expenses		
Research and development	123,825	23,945
Selling and marketing	27,051	49,390
General and administrative	424,197	420,308
Total operating expenses	575,073	493,643
Operating loss	(287,048)	(151,406)
Other income	1,559	16,994
Other expenses	(17,956)	(15,045)
Financial expenses	(26,480)	(23,242)
Net loss	$ (329,925)	$ (172,699)
Net loss attributable to non-controlling interests	(19,993)	-
Net loss attributable to common stockholders	(309,932)	(172,699)
Basic and diluted loss per share	$ (0.01)	$ (0.00)
Weighted average number of shares outstanding used in computation of basic loss per share	47,992,856	46,980,905
Other comprehensive income (loss):		
Foreign currency translation differences	$ (31,136)	$ 39,896
Total comprehensive loss	$ (361,061)	$ (132,803)

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

SPO GLOBAL INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Common stock	Stock capital	Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Noncontrolling Interest	Total
Balance as of January 1, 2014	46,980,905	$ 469,809	$ -	$ -	$ (700,498)	$ -	$ (230,689)
Foreign currency translation				39,896			39,896
Net Loss					(172,699)	-	(172,699)
Balance as of December 31, 2014	46,980,905	$ 469,809	$ -	$ 39,896	$ (873,197)	$ -	$ (363,492)
Capital contributions			91,372				91,372
Conversion of convertible debt to	857,675	8,577	(3,487)				5,090
Issuance of warrants			8,725				8,725
Warrants exercised	916,668	9,167					9,167
Common stock issued for services	487,500	4,875	(585)				4,290
Common stock issued to settle debt	340,000	3,400	(498)				2,902
Recapitalization	6,418,368	64,183	(95,019)		(1,492,742)	(44,012)	(1,567,590)
Foreign currency translation				(31,136)			(31,136)
Net Loss				-	(309,932)	(19,993)	(329,925)
Balance as of December 31, 2015	56,001,116	$ 560,011	$ 508	$ 8,760	$ (2,675,871)	$ (64,005)	$ (2,170,597)

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

SPO GLOBAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2015
Cash Flows from Operating Activities	
Net Loss for the period	$ (329,925)
Adjustments to reconcile loss to net cash provided by (used in) operating activities:	
Non-cash expense related to shares issued for services	4,290
Non-cash expenses related to derivative liability	108,283
Non-cash expense related to warrants	8,725
Changes in assets and liabilities:	
Accounts receivable	38,835
Prepaid expenses and other receivables	688
Accounts payable	138,788
Accrued expenses and other liabilities	36,098
Net cash provided by operating activities	5,782
Cash Flows from Financing Activities	
Proceeds from loans	68,474
Capital contributions	91,372
Net cash provided by financing activities	159,846
Increase in cash and cash equivalents	165,628
Effect of exchange rate changes	(38,101)
Cash and cash equivalents at the beginning of the period	14,110
Cash and cash equivalents at the end of the period	$ 141,637
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the period for:	
Interest	$ -
Taxes	$ -

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

SPO GLOBAL INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL

S.P.O. (SOFTWARE PERFORMANCE OPTIMIZATION) GLOBAL INC, and subsidiaries is a company that is focused on acquiring performance optimization software IP for all enterprise applications. The focus of SPO is to acquire unique software companies that own outright valuable IP with a proven verifiable customer base.

The Company is incorporated under the laws of the State of Delaware.

On the 23rd of December, 2015 SPO GLOBAL, INC. (OTC:SPOM) executed a Stock Exchange Agreement (Merger) for the purchase of a 93.94% interest in the UK company, Reflective Solutions Ltd. ("Reflective"), a performance software testing company . Under the SEA, the selling shareholders of Reflective received 1433 shares of SPO restricted common stock for every 1 share held, for a total issuance by SPO of 46,980,905 restrictive common shares.

The Merger is accounted for as a reverse-merger and recapitalization. Reflective is the acquirer for financial reporting purposes and SPO is the acquired company. Consequently, the assets and liabilities and the operations that are reflected in the historical financial statements prior to the Merger are those of Reflective and are recorded at the historical cost basis of Reflective, and the consolidated financial statements after completion of the Merger include the assets, liabilities and operations of SPO and Reflective, from the closing date of the Merger. Therefore, the historical equity accounts of Reflective including par value per share, share and per share numbers included in the 2014 financial statements, have been adjusted to reflect the number of shares received in the Merger.

On the 31st December 2015, SPO Global entered into a Purchase Agreement with Elepho, Inc., a DE company, owned by Michael Braunhold, the Company's former CEO and President, to sell its remaining interests in SPO Medical Equipment, LTD. The Company had previously entered into a Settlement Agreement with Mr. Braunhold, wherein the Company granted him a perpetual, exclusive, license to the IP and SPO technology held by SPO Medical Ltd, in exchange for, among other things, his release of all sums owed to him by the Company.

NOTE 2 GOING CONCERN

As reflected in the accompanying financial statements, the Company's operations for the period ended December 31, 2015, resulted in a net loss of $329,925 and the Company's balance sheet reflects a net stockholders' deficit of $2,170,597. The Company's ability to continue operating as a "going concern" is dependent on its ability to increase revenues and raise sufficient additional working capital. These matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, which contemplates realization of assets and liquidation of liabilities in the ordinary course of business. The Company plans to raise additional capital as needed. There can be no assurance that this capital will be available and if it is not, the Company may be forced to substantially curtail or cease operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The consolidated financial statements include the accounts of SPO and its subsidiaries.

SPO Global Inc. owns 93.94% of Reflective Solutions Ltd. (a U.K. corporation). Reflective Solutions Ltd. owns 100% of Reflective Solutions Inc. (a U.S. corporation) and 100% of Reflective Solutions Bulgaria Ltd. (a Bulgarian corporation)

All material inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Financial Statements in U.S. dollars:

The reporting currency of the Company is the U.S. dollar ("dollar"). The dollar is the functional currency of the Company and the Company's U.S. subsidiary.

The primary economic environment in which the operations of the Company's British subsidiary are conducted is the GBP and thus its functional currency.

The primary economic environment in which the operations of the Company's Bulgarian subsidiary are conducted is the BGN and thus its functional currency.

The financial statements of the non-U.S. subsidiaries are translated to U.S. dollars using the mothods mandated by ASC 830.

Cash and Cash Equivalents:

The Company considers all highly liquid investments originally purchased with maturities of three months or less to be cash equivalents.

Revenue Recognition:

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services are rendered, the sales price or fee is fixed or determinable, and collectability is reasonably assured.

Research and Development Costs:

Research and development costs are charged to expenses as incurred. The Company's research and development is performed by the Company's subsidiary, Reflective Solutions Bulgaria Ltd.

Income Taxes:

The Company accounts for income taxes in accordance with ASC 740-10, "Accounting for Income Taxes" This statement prescribes the use of the liability method whereby deferred tax assets and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

Fair Value of Financial Instruments:

ASC 820, "Fair Value Measurements and Disclosures", defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. ASC 820 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. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Valuations based on quoted prices in active markets for identical assets that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The carrying amounts of cash and cash equivalents, short-term loans, and accounts payable approximate their fair value due to the short-term maturities of such instruments.

The carrying amounts of long-term notes payable received in cash are reported at their original amounts.

Basic and Diluted Net Loss Per Share:

Basic and diluted net loss per share is presented in accordance with ASC 260-10, "Earnings Per Share" for all periods presented. Basic and diluted net loss per share of Common Stock was determined by dividing net loss attributable to Common stock holders by weighted average number of shares of Common Stock outstanding during the period. Diluted net loss per share of Common Stock is the same as basic net loss per share of Common Stock for all periods presented as the effect of the Company's potential additional shares of Common Stock were anti-dilutive.

NOTE 4 LOANS AND WARRANTS

In December 2005, the Company completed the private placement to certain accredited investors that commenced in April 2005 for the issuance of up to $1,544,000 of units of its securities, with each unit comprised of (i) the Company’s 18 month 8% promissory note (collectively, the "April 2005 Notes") and (ii) three year warrants (expired). As of December 31, 2015, the remaining outstanding April 2005 Notes principal totaled $356,850. The Company reached an agreement with the investors to cancel the accrued interest. The remaining balance is past due. In December 2015 the investors sold the notes to a non-affiliated third party.

In July 2006, the Company commenced a private placement of units of its securities, the (“Loan Notes”), with each unit comprised of (i) the Company’s 8% month promissory note due 12 months from the date of issuance and (ii) warrants, pursuant to which the Company raised $550,000 (the maximum amount that could be raised from this offering). As of December 31, 2015, $86,510 in respect of the principal on these notes remains outstanding and past due. The Company reached an agreement with the investors to cancel the accrued interest. In December 2015 the investors sold the notes to a non-affiliated third party.

On March 25, 2011, the Company and one of its stockholders entered into a loan agreement pursuant to which a stockholder loaned to the Company $50,000 for working capital purposes. The loan is past due. The Company reached an agreement with the investor to cancel the accrued interest. In December 2015 the investor sold the note to a non-affiliated third party.

From August 2011 to August 2012 , the Company received $425,000 from investors on account for loans. The loans bear interest at the rates of 15% to 23% per annum. Principal and accrued interest is convertible into shares of the Company's common stock at the option of the holder at the conversion price of $0.50 per share. The loans are past due. The Company reached an agreement with the investors to cancel the accrued interest. In December 2015 the investors sold the notes to a non-affiliated third party.

On March 22, 2012, the Company entered into Convertible Note Agreements with two investors pursuant to which the Company received $25,000 from each investor. The notes bear interest at a per annum rate of 20%. The principal and accrued interest are convertible to common stock of the Company at a conversion rate of $0.50 per share. The loans are past due. The Company reached an agreement with the investors to cancel the accrued interest. In December 2015 the investors sold the notes to a non-affiliated third party.

On May 1, 2012, the Company entered into a Convertible Note Agreement with an investor pursuant to which the Company received $25,000. The note representing the advance bears interest at a per annum rate of 20%. The principal and accrued interest are convertible to common stock of the Company at a conversion rate of $0.50 per share. The loan is past due. The Company reached an agreement with the investor to cancel the accrued interest. In December 2015 the investor sold the note to a non-affiliated third party.

On August 27, 2012, the Company entered into a Loan Agreement with an investor pursuant to which the Company was to be advanced $21,000. The loan is due on demand and is non-interest bearing. In December 2015 the investor sold the note to a non-affiliated third party.

On December 27, 2013, the Company entered into agreements with an accredited investor and a current shareholder of the Company, relating to a private placement of $250,000 in principal amount of the Company's Convertible Promissory Note due December 28, 2015. The note was issued pursuant to a Subscription Agreement dated as of December 27, 2013 between the Company and the Investor. Interest on the Note accrues at the rate of 10% per annum and is payable in cash in arrears upon the earlier of (i) each six months from the date of the note (ii) or the date of conversion or (iii) at maturity, whichever occurs first, and will continue to accrue until the Note is fully converted and/or paid in full. The note is convertible into shares of the Company's common stock at the Investor's option at a conversion rate equal to the average of the closing price of the Common Stock for the ten consecutive trading days immediately preceding the date a notice of conversion is delivered. The Investor may not exercise the conversion right if the shares issuable upon conversion, together with shares held by the Investor, exceed 9.99% of the then outstanding shares of the Company after such conversion and/or exercise. Under the terms of the Subscription Agreement, at any time that the note (or any portion thereof) is converted, the Investor is to receive warrants, exercisable for two years following the date of issuance for Common Stock equal to 50% of the number of shares of Common Stock issued upon conversion of the Note (or any part thereof) at a per share warrant exercise price equal to twice the conversion price. The Company reached an agreement with the investor to cancel the accrued interest. In December 2015 the investor sold the note to a non-affiliated third party.

On May 23, 2014, the Company entered into a loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $175,000 to be used for order financing. The principle amount of the loan with a $10,000 fee is repayable by September 30, 2014 and such loan may be pre-paid, at the option of the Company, without notice or penalty. If the loan is not repaid by the scheduled maturity date, the principle amount of the loan shall begin to accrue interest at a rate of 12% per annum from the maturity date until repayment in full. The Company reached an agreement with the investor to cancel the accrued interest. As of December 31, 2015 the remaining principal balance was $29,000. In December 2015 the investor sold the note to a non-affiliated third party.

On July 1, 2014, the Company entered into a loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $50,000 to be used for order financing. The principle amount of the loan with a $4,000 fee was repayable by November 30, 2014. If the loan is not repaid by the scheduled maturity date, the principle amount of the loan shall begin to accrue interest at a rate of 12% per annum from the maturity date until repayment in full. The Company reached an agreement with the investor to cancel the accrued interest. In December 2015 the investor sold the note to a non-affiliated third party.

On August 1, 2014, the Company entered into a loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $200,000 to be used for order financing. The principle amount of the loan with a $16,000 fee was repayable by November 30, 2014. If the loan is not repaid by the scheduled maturity date, the principle amount of the loan shall begin to accrue interest at a rate of 12% per annum from the maturity date until repayment in full. The Company reached an agreement with the investor to cancel the accrued interest. As of December 31, 2015 the remaining principal balance was $110,000. In December 2015 the investor sold the note to a non-affiliated third party.

On May 15, 2015, the Company entered into a convertible loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $125,000 to be used for order financing. The principle amount of the loan is repayable by November 30, 2015. The note bears interest at a per annum rate of 8%. The principal and accrued interest is convertible to common stock of the Company at a conversion price of $0.10. The loan may be pre-paid, at the option of the Company, without notice or penalty. If the loan is not repaid by the scheduled maturity date, the principle amount of the loan shall begin to accrue interest at a rate of 10% per annum from the maturity date until repayment in full. Warrants to purchase 125,000 shares with an exercise price of $0.15 were issued in conjunction with the financing. The fair value of the warrants was calculated using Black-Scholes and the following assumptions, estimated life of 3 years, volatility of 175%, risk free interest rate of 0.01%, and dividend yield of 0%. As of December 31, 2015 the remaining principal balance and accrued interest payable was $105,589.

On August 1, 2015, the Company entered into a Loan Facility Agreement with an investor pursuant to which the Company received $61,428. The loans mature on August 1, 2018 and bear interest at a per annum rate of 8%. The principal and accrued interest are convertible to common stock of the Company at a conversion rate of 55% of the prevailing per share market price. As of December 31, 2015 the principal balance and accrued interest payable was $63,474. As of December 31, 2015 a derivative liability in the amount of $108,283 was recorded for the conversion feature. The fair value of the conversion feature was calculated using Black-Scholes and the following assumptions, estimated life of 2.58 years, volatility of 253%, risk free interest rate of 1%, and dividend yield of 0%.

In 2015 the U.S. subsidiary received a loan in the amount of $5,000 from a non-affiliated third party. The loan is due on demand and bears no interest.

NOTE 5 CAPITAL TRANSACTIONS

Common Stock and Common Stock Equivalents

On October 15, 2015 the Company issued 666,668 shares upon exercise of warrants.

On October 19, 2015 the Company issued 250,000 shares upon exercise of warrants.

On December 22, 2015, the Company issued 340,000 shares to settle debts. The shares were valued at the market price on the date issued.

On December 22, 2015, the Company issued 487,500 shares for consulting services. The shares were valued at the market price on the date issued.

During the year ended December 31, 2015, the Company issued 857,675 shares of its common stock upon conversion of $5,000 in principal and interest of convertible promissory notes.

NOTE 6 WARRANTS

On May 15, 2015, 125,000 warrants with an exercise price of $0.15 were issued in conjunction with financing. The fair value of the warrants was calculated using Black-Scholes and the following assumptions, estimated life of 3 years, volatility of 175%, risk free interest rate of 0.01%, and dividend yield of 0%.

On May 21, 2015, 75,000 warrants with an exercise price of $0.15 were issued in conjunction with financing. The fair value of the warrants was calculated using Black-Scholes and the following assumptions, estimated life of 3 years, volatility of 175%, risk free interest rate of 0.01%, and dividend yield of 0%.

On September 3, 2015, warrants held by lenders to issue 916,668 shares were extended through December 31, 2017 and the exercise price was amended to $0.01. The fair value of the warrants as a result of the extension and amended exercise price was calculated using Black-Scholes and the following assumptions, estimated life of 2.33 years, volatility of 175%, risk free interest rate of 0.01%, and dividend yield of 0%.

NOTE 7 STOCKHOLDER'S DEFECIENCY

Authorized Shares

The Company has two classes of capital stock: common and preferred. As of December 31, 2015 and 2014, the Company had 100,000,000 shares of common stock authorized and 2,000,000 shares of preferred stock authorized both at $0.01 par value per share.

The Company's Board of Directors is authorized to issue from time to time up to 2 million shares of preferred stock in one or more series, and to fix for each such series such voting power and such designations, preferences, relative participating or other rights, redemption rights, conversion privileges and such qualifications or restrictions thereof as shall be adopted by the board and set forth in an amendment to the Company's Certificate of Incorporation. Unless a vote of any shareholders is required pursuant to the rights of the holders of preferred stock then outstanding, the board may from time to time increase or decrease (but not below the number of shares of such series outstanding) the number of shares of any series of Preferred Stock subsequent to the issuance of shares of that series.

Equity Incentive Plans

In April 2005, the Company adopted the 2005 Equity Incentive Plan (the "2005 Plan"). A total of 87,500 shares of Common Stock were originally reserved for issuance under the 2005 Plan. The 2005 Plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, bonus stock, awards in lieu of cash obligations, other stock-based awards and performance units. The 2005 Plan also permits cash payments under certain conditions. The compensation committee of the Board of Directors is responsible for determining the type of award, when and to who awards are granted, the number of shares and the terms of the awards and exercise prices. The options are exercisable for a period not to exceed ten years from the date of grant. Vesting periods range from immediately to four years. Under the 2005 plan options granted expire no later than the tenth anniversary from the date of the grant.

In April 2005, the Company adopted the 2005 Non-Employee Directors Stock Option Plan (the "2005 Directors Plan") providing for the issuance of up to 20,000 shares of Common Stock to non-employee directors. Under the 2005 Directors Plan, only non-qualified options may be issued and they will be exercisable for a period of up to six years from the date of grant.

The 2005 Plan and the Non-Employee Directors Plan authorized options exercisable into 95,000 shares of common stock at an exercise price of $7.80. As of December 31, 2015, options for an aggregate of 6,500 shares of Common Stock remain available for future grants under the Company's 2005 Plan and 2005 Directors Plan.

Stock Options:

Options outstanding and exercisable at December 31, 2015:

	Amount of Options	Weighed Average Exercise Price	Weighed Average Remaining Life in Years
Outstanding at the beginning of the year	57,050	$ 9.41	
Expired	(18,150)	-	
Outstanding at the end of the year	38,900	$ 8.20	2.34
Exercisable at the end of the year	38,900	$ 8.20	2.34

Stock Warrants

Warrants outstanding and exercisable at December 31, 2015:

	Amount of Warrants	Weighed Average Exercise Price	Weighed Average Remaining Life in Years
Outstanding at the beginning of the year	514,217		
Expired	(291,717)	-	
Issued	200,000		
Outstanding at the end of the year	422,500	$ 0.26	2.98
Exercisable at the end of the year	422,500	$ 0.26	2.98

NOTE 8 INCOME TAXES

For the year ended December 31, 2015, the Company had available for U.S federal income tax purposes net operating loss carryovers of approximately $5,000,000, which expire beginning in 2018. The net operating loss carryovers may be subject to limitations under Internal Revenue Code due to significant changes in the Company's ownership. The Company has provided a full valuation allowance against the full amount of the net operating loss benefit, since, in the opinion of management, based upon the earnings history of the Company it is more likely than not that the benefits will not be realized.

For the year ended December 31, 2015, the Company had available for UK income tax purposes net operating loss carryovers of approximately $800,000, which can be carried forward indefinitely. The Company has provided a full valuation allowance against the amount of UK unused net operating loss benefit, since management believes that, based upon the earnings history of the Company, it is more likely than not that the benefits will not be realized.

Management does not believe that the Company has any material uncertain tax positions requiring recognition or measurement in accordance with the provisions of ASC 740. The Company's policy is to record interest and penalties on uncertain tax positions, if any, as income tax expense.

All tax years for the Company remain subject to future examinations by the applicable taxing authorities.

NOTE 9 RELATED PARTY TRANSACTIONS

On December 23, 2015, all of the issued and outstanding preferred stock (100 Series A shares) was acquired by Rodz Holding Ltd., a U.K. corporation, which is controlled by Owen Dukes, CEO of the Company. Each one share of Series A Preferred has voting rights equal to (x) 0.019607 multiplied by the total issued and outstanding Common Stock eligible to vote at the time of the respective vote (the "Numerator"), divided by (y) 0.49, minus (z) the Numerator. As a result Rodz Holding Ltd. has a controlling interest in the Company.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Reflective Solutions Ltd. leases office space for 4,400 GBP per quarter. The lease expires July 31, 2016.

Reflective Solutions Inc. leases office space for $750 per month. The lease expires December 31, 2017.

Reflective Solutions Bulgaria Ltd. leases office space for $1000 per month. The lease expires December 31, 2018.

Future minimum lease payments are as follows:

Years ended December 31,	
2016	$34,000
2017	$21,000
2018	$12,000

NOTE 11 SEGMENT INFORMATION

The Company operates in three geographic segments.
Summarized financial information by reportable segment is as follows:

	2015			2014		
	U.K.	**U.S.**	**Bulgaria**	**U.K.**	**U.S.**	**Bulgaria**
Revenues	$ 178	$ 123	$ -	$ 115	$ 256	$ -
Cost of revenues	13	-	-	-	29	-
Gross profit	165	123	-	115	227	-
Operating expenses						
Research and development	-	-	124	-	-	24
Selling and marketing	27	-	-	49	-	-
General and administrative	361	63	-	350	70	-
Total operating expenses	388	63	124	399	70	24
Operating profit (loss)	(223)	60	(124)	(284)	157	(24)

NOTE 12 SUBSEQUENT EVENTS

On March 10, 2016, the Company issued 5,928,381 shares of its common stock upon conversion of a convertible promissory note in the principal amount of $25,000.