HEADSUP ENTERTAINMENT INC

Financial Statements

Year Ended January 31, 2016

(Unaudited - See Notice To Reader)

HEADSUP ENTERTAINMENT INC

Index to Financial Statements

Year Ended January 31, 2016

(Unaudited - See Notice To Reader)

	Page
NOTICE TO READER	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Income	3
Statement of Deficit	4
Statement of Share Capital	5
Statement of Cash Flow	6

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NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Headsup Entertainment Inc as at January 31, 2016 and the statements of income, deficit, share capital, and cash flow for the year then ended.

We disclose that Buckley Dodds Parker LLP provides bookkeeping services. Neither Buckley Dodds Parker LLP nor any employee of Buckley Dodds Parker LLP have any financial interest in the company, is not part of management, and only works in a professional advisory capacity on an hourly basis.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, British Columbia
August 31, 2016

BUCKLEY DODDS PARKER LLP
Chartered Professional Accountants

HEADSUP ENTERTAINMENT INC

Balance Sheet

January 31, 2016

(Unaudited - See Notice To Reader)

	2016	2015 *Unaudited*
ASSETS		
CURRENT		
Cash	**$ 9**	$ 19
LOANS AND NOTES RECEIVABLE	**535,668**	516,737
VIDEO LIBRARY	**497,729**	497,729
	$ 1,033,406	$ 1,014,485
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable and accrued liabilities	**$ 398,527**	$ 592,560
Goods and services tax payable	**1,017**	1,313
Due to shareholders	**398,533**	404,004
	798,077	997,877
SHAREHOLDERS' EQUITY		
Share capital	**1,936,055**	1,954,376
Deficit	**(1,700,726)**	(1,937,768)
	235,329	16,608
	$ 1,033,406	$ 1,014,485

ON BEHALF OF THE BOARD

DIRECTOR:

Richard Keeley

HEADSUP ENTERTAINMENT INC

Statement of Income

For the Year Ended January 31, 2016

(Unaudited - See Notice To Reader)

	2016	2015 *Unaudited*
REVENUE	**$ 29,758**	$ 31,202
COST OF SALES	**2,601**	155
GROSS PROFIT *(91%; 2015 - 100%)*	**27,157**	31,047
EXPENSES		
Interest	**42,004**	39,093
Rental	**6,300**	2,100
Utilities	**2,798**	1,369
Travel	**2,363**	3,084
Professional fees	**1,500**	1,500
Office	**1,469**	1,708
Meals and entertainment	**982**	2,719
Sub-contracts	**500**	-
Bank charges	**331**	270
Consulting fees	**300**	-
Advertising and promotion	**234**	1,907
	58,781	53,750
LOSS FROM OPERATIONS	**(31,624)**	(22,703)
OTHER INCOME		
Expense recoveries	**240,533**	-
Interest income	**28,133**	26,181
	268,666	26,181
NET INCOME	**$ 237,042**	$ 3,478

HEADSUP ENTERTAINMENT INC

Statement of Deficit

Year Ended January 31, 2016

(Unaudited - See Notice To Reader)

	2016	2015 *Unaudited*
DEFICIT - BEGINNING OF YEAR	**$ (1,937,768)**	$ (1,941,246)
NET INCOME FOR THE YEAR	**237,042**	3,478
DEFICIT - END OF YEAR	**$ (1,700,726)**	$ (1,937,768)

HEADSUP ENTERTAINMENT INC

Statement of Share Capital

Year Ended January 31, 2016

(Unaudited - See Notice To Reader)

	2016	2015
Opening share capital	**$ (1,954,376)**	$ (1,955,743)
Share issuance cost	**1,631**	1,367
Share capital issued/redeemed	**16,690**	-
	(1,936,055)	(1,954,376)
ENDING SHARE CAPITAL	**$ (1,936,055)**	$ (1,954,376)

HEADSUP ENTERTAINMENT INC

Statement of Cash Flow

Year Ended January 31, 2016

(Unaudited - See Notice To Reader)

	2016	2015 *Unaudited*
OPERATING ACTIVITIES		
Net income	**$ 237,042**	$ 3,478
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	**(194,034)**	60,000
Goods and services tax payable	**(296)**	(2)
	(194,330)	59,998
Cash flow from operating activities	**42,712**	63,476
FINANCING ACTIVITIES		
Advances to shareholders	**(5,471)**	(37,419)
Loans receivable	**(37,251)**	(26,032)
Cash flow used by financing activities	**(42,722)**	(63,451)
INCREASE (DECREASE) IN CASH FLOW	**(10)**	25
Cash (deficiency) - beginning of year	**19**	(6)
CASH - END OF YEAR	**$ 9**	$ 19