

HEADSUP ENTERTAINMENT INC
Financial Statements
Six Month Period Ended July 31, 2016
(Unaudited - See Notice To Reader)

HEADSUP ENTERTAINMENT INC
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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 July 31, 2016 and the statements of income and deficit for the six month period 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
September 19, 2016


BUCKLEY DODDS PARKER LLP
Chartered Professional Accountants

HEADSUP ENTERTAINMENT INC

Balance Sheet

As at July 31, 2016

(Unaudited - See Notice To Reader)

	July 31, 2016	July 31, 2015 <i>Unaudited</i>
ASSETS		
CURRENT		
Cash	\$ 1,902	\$ -
LOANS AND NOTES RECEIVABLE	550,641	539,769
VIDEO LIBRARY	<u>497,729</u>	<u>497,729</u>
	\$ 1,050,272	\$ 1,037,498
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Bank Overdraft	\$ -	\$ 33
Accounts payable and accrued liabilities	425,526	373,776
Goods and services tax payable	470	1,027
Due to related parties	-	139,833
Due to shareholders	<u>388,644</u>	<u>418,375</u>
	814,640	933,044
SHAREHOLDERS' EQUITY		
Share capital	1,935,246	1,841,169
Deficit	<u>(1,699,614)</u>	<u>(1,736,715)</u>
	235,632	104,454
	\$ 1,050,272	\$ 1,037,498

ON BEHALF OF THE BOARD

_____ *Director*

HEADSUP ENTERTAINMENT INC
Statement of Income
For the Six Month Period Ended July 31, 2016
(Unaudited - See Notice To Reader)

	July 31, 2016	July 31, 2015 <i>Unaudited</i>
TRADE SALES	\$ 13,010	\$ 29,687
COST OF SALES	-	2,601
GROSS PROFIT <i>(100%; 2016 - 91%)</i>	13,010	27,086
EXPENSES		
Interest on long term debt	22,354	20,635
Professional fees	3,000	750
Office	1,206	1,247
Travel	197	2,363
Bank charges	123	200
Meals and entertainment	52	982
Consulting fees	-	300
Rental	-	6,300
Sub-contracts	-	500
Advertising and promotion	-	234
Utilities	-	2,798
	26,932	36,309
LOSS FROM OPERATIONS	(13,922)	(9,223)
OTHER INCOME		
Expense recoveries	-	240,533
Interest income	15,033	13,830
	15,033	254,363
NET INCOME	\$ 1,111	\$ 245,140

HEADSUP ENTERTAINMENT INC
Statement of Deficit
Six Month Period Ended July 31, 2016
(Unaudited - See Notice To Reader)

	July 31, 2016	July 31, 2015 <i>Unaudited</i>
DEFICIT - BEGINNING OF PERIOD	\$ (1,700,725)	\$ (1,981,855)
NET INCOME FOR THE PERIOD	<u>1,111</u>	<u>245,140</u>
DEFICIT - END OF PERIOD	\$ (1,699,614)	\$ (1,736,715)