

GREEN CURES AND BOTANICAL DISTRIBUTION, INC.

Financial Statements

September 30, 2015

GREEN CURES AND BOTANICAL DISTRIBUTION, INC.

**BALANCE SHEETS
(UNAUDITED)**

	(Restated) September 30, 2015	(Restated) December 31,2014
<u>ASSETS</u>		
Current Assets		
Cash	\$ 2,498	\$ 4,382
Inventory	-	-
Security deposit	-	-
Total Current Assets	<u>2,498</u>	<u>4,382</u>
 Fixed Assets-Net	 <u>4,636</u>	 <u>7,418</u>
 Total Assets	 <u>\$ 7,134</u>	 <u>\$ 11,800</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u>		
Current Liabilities:		
Accrued expenses	\$ 29,068	\$ 14,483
Convertible Note Payable, Net of Discount	<u>19,167</u>	<u>120,325</u>
Note Payable	<u>55,640</u>	<u>35,663</u>
Derivative Liability	112,438	-
Total Liabilities	216,313	170,471
Stockholders' Equity:		
Preferred Stock, Series A 100 shares authorized 1 issued @.001 par value	-	-
Preferred Stock, B, 6,000,000 shares authorized 1,508,050 shares issued and outstanding @.001 par value	1,508	1,508
Preferred Stock, C,-50,000,000 shares authorized, 4,250,000 issued and outstanding @.001 par value	4,250	4,250
Preferred Stock, D, 2,000,000 shares authorized 0 shares issued @.001 par value	-	-
Preferred Stock, E, 4,000,000 shares authorized 580,000 issued and outstanding @.001 par value	580	580
Preferred Stock F, 60,000,000 shares authorized, 12,000,000 shares issued and outstanding @.001	12,000	12,000
Preferred Stock G, 40,000,000 shares authorized 0 issued and outstanding @.001 par value	-	-
Common Stock, 800,000,000 shares authorized, 14,872,881 and 12,616,214 shares issued and outstanding @.001 par value	<u>14,873</u>	<u>12,616</u>
Additional Paid in Capital	<u>177,976</u>	<u>46,023</u>
Retained Deficit	<u>(420,366)</u>	<u>\$ (158,671)</u>
Total Stockholders' Equity	(209,179)	110,872
Total Liabilities and Stockholders' Equity	7,134	11,800

GREEN CURES AND BOTANICAL DISTRIBUTION, INC.

STATEMENTS OF OPERATIONS

Three months Ended

September 30,

Nine Months Ended September 30,

2015

2014

2015

2014

Revenues	4,877	44,125	18,469	56,657
Costs of Sales	3,250	20,212	12,055	25,952
Gross Margin	1,627	23,913	6,414	30,705
Expenses:				
General and Administrative	108,957	125,006	157,869	218,554
Operating Expenses	108,957	125,006	157,869	218,554
Operating Income (Loss)	(107,330)	(101,093)	(151,455)	(187,849)
Other Income (Expense)				
Interest	(766)		(1,658)	
Loss on Derivative	(12,438)	-	(12,438)	-
Total	(13,204)	-	(14,096)	-
Amortization of Debt Discount	(19,167)	-	(19,167)	-

Net Profit (Loss)	(139,701)	(101,093)	(184,718)	(187,849)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Loss per Share, Basic & Diluted	(0.01)	(0.01)	(0.01)	(0.01)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Weighted Average Shares				
	13,798,173	12,616,214	13,404,186	14,121,792
Outstanding	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GREEN CURES AND BOTANICAL DISTRIBUTION, INC
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30,
(Unaudited)

	(Restated) 2015	(Restated) 2014
Cash flows from operating activities:		
Net loss	\$ (184,718)	\$ (187,849)
Stock Issued	13,885	
Adjustments to reconcile net loss to total cash used in operations:		
Depreciation Expense	2,782	3,709
Debt Discount	19,167	
Changes in operating Assets and Liabilities:		
Increase in Accrued and Interest Expense	16,243	14,483
Loss on Derivative Liability	12,438	
Net cash used in operating activities	<u>(120,203)</u>	<u>(169,657)</u>
Cash flows from investing activities:		
Investment (Net)	<u>-</u>	<u>(11,127)</u>
Net cash used by investing activities	<u>-</u>	<u>(11,127)</u>
Cash flows from financing activities:		
Cash Received for Note Payable	118,319	185,166
Reduction of Debt		-
Issuance of Long Term Debt	<u>-</u>	<u>-</u>
Net cash provided by financing activities	<u>118,319</u>	<u>185,166</u>
Net increase in cash	(1,884)	4,382
Cash at beginning of period	<u>4,382</u>	<u>-</u>
Cash at end of period	\$ <u><u>2,498</u></u>	\$ <u><u>4,382</u></u>
Supplemental disclosure of non cash activities:		
Cash paid for interest	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Franchise and income taxes	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

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

GREEN CURES AND BOTANICAL DISTRIBUTION, INC.
UNAUDITED STATEMENT OF SHAREHOLDERS' EQUITY (DEFICIT)
September 30, 2015

	<u>Series A Preferred</u>		<u>Series B Preferred</u>		<u>Series C Preferred</u>		<u>Common Stock</u>		<u>Additional Paid-in</u>	<u>Preferred D,E,F</u>		
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Capital</u>		<u>Deficit</u>	<u>Total</u>
Balance December 31, 2014	1	-	1,508,050	1,508	4,250,000	\$4,250	12,616,214	12,616	46,023	12,580	\$(187,849)	(110,872)
Shares issued for services	-	-	-	-	-	-	34,232	34	13,851	-	-	13,885
Shares issued for debt							2,222,434	2,223	118,102			120,325
Net Loss for the period											(213,877)	(213,877)
Balance September 30, 2015	1	-	1,508,050	1,508	4,250,000	4,250	14,872,880	14,873	\$177,976	12,580	(401,726)	\$(190,539)
	-	-										

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

GREEN CURES AND BOTANICAL DISTRIBUTION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Green Cures and Botanical Distribution, Inc., (the "Company") was incorporated in the State of Colorado on September 22, 1986 under the name Petramerica Oil, Inc. On August 17, 2006 the Company changed its name to Triton Distribution Systems, Inc and on February 25, 2014 the Company completed a reverse merger in an exchange of stock.

The Company retails and wholesales nutritional, medicinal and body care products, which are manufactured in the United States. Currently the company sells its product via the internet.

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reporting period. Actual results could differ from those estimates.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented

Reverse Stock Split

On December 16, 2015, the Company effectuated a 130 to 1 reverse stock split and subsequently reduced their authorized common shares. The financial statements have been adjusted to reflect the effects of the reverse stock split for all periods presented.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from those estimates. Significant estimates include estimated useful lives and potential impairment of property and equipment, estimate of fair value of share based payments and derivative instruments and recorded debt discount, valuation of deferred tax assets and valuation of in-kind contribution of services and interest.

(D) Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less to be cash equivalents. At September 30, 2015 and December 31, 2014, the Company had no cash equivalents.

(E) Concentration-Risk

The Company maintains its cash with various financial institutions, which may exceed federally insured limits throughout the period.

(F) Machinery & Equipment

Machinery and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of furniture fixtures and equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful life of five (3) years for equipment, (5) years for automobile, and (7) years for furniture and fixtures. Upon sale or retirement of computer equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

(G) Income Taxes

The Company accounts for income taxes under ASC Topic 740. Deferred tax assets and liabilities are determined based upon 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. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25") with regards to uncertainty in income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its assets and/or liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

The Company is not currently under examination by any federal or state jurisdiction.

The Company's policy is to record tax-related interest and penalties as a component of operating expenses.

(H) Loss Per Share

In accordance with the accounting guidance now codified as FASB ASC Topic 260, "Earnings per Share" basic loss per share is computed by dividing net loss by weighted average number of shares of common stock outstanding during each period. Diluted loss per share is computed by dividing net loss by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period.

(I) Revenue Recognition

The Company will recognize revenue on arrangements in accordance with FASB ASC No. 605, "Revenue Recognition". In all cases, revenue is recognized only when the price is fixed and determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured.

(J) Research and Development

The Company expenses research and development costs as incurred.

(K) Fair Value of Financial Instruments

The Company applies the accounting guidance under Financial Accounting Standards Board ("FASB") ASC 820-10, "*Fair Value Measurements*", as well as certain related FASB staff positions. This guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact business and considers assumptions that marketplace participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

The guidance also establishes a fair value hierarchy for measurements of fair value as follows:

- Level 1 - quoted market prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to

the fair value of the assets or liabilities.

The Company's financial instruments consist accrued expenses, notes payable, notes payable and convertible notes payable. The carrying amount of the Company's financial instruments approximates their fair value as of September 30, 2015 and December 31, 2014, due to the short-term nature of these instruments.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability. The valuation of the Company's notes recorded at fair value is determined using Level 3 inputs, which consider (i) time value, (ii) current market and (iii) contractual prices.

The following table represents the Company's assets and liabilities by level measured at fair value on a recurring basis at September 30, 2015:

Description	Level 1	Level 2	Level 3
Notes payable at fair value	\$ -	\$ -	\$ 187,245

The following assets and liabilities are measured on the condensed consolidated balance sheets at fair value on a recurring basis utilizing significant unobservable inputs or Level 3 assumptions in their valuation. The following tables provide a reconciliation of the beginning and ending balances of the liabilities:

	Fair Value July 1, 2015	Change in fair Value	New Convertible Notes	Payments	Fair Value September 30, 2015
Notes payable at fair value	\$ 126,636	\$ 15,000	\$ 100,000	\$ (72,654)	\$ 168,982

(M) Embedded Conversion Features

The Company evaluates embedded conversion features within convertible debt under ASC 815 "Derivatives and Hedging" to determine whether the embedded conversion feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings. If the conversion feature does not require derivative treatment under ASC 815, the instrument is evaluated under ASC 470-20 "Debt with Conversion and Other Options" for consideration of any beneficial conversion features.

(N) Derivative Financial Instruments

Fair value accounting requires bifurcation of embedded derivative instruments such as conversion features in convertible debt or equity instruments, and measurement of their fair value for accounting purposes. In determining the appropriate fair value, the Company uses the Black-Scholes option-pricing model. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt, the Company will continue its evaluation process of these instruments as derivative financial instruments.

Once determined, derivative liabilities are adjusted to reflect fair value at each reporting period end, with any increase or decrease in the fair value being recorded in results of operations as an adjustment to fair value of derivatives. In addition, the fair value of freestanding derivative instruments such as warrants, are also valued using the Black-Scholes option-pricing model.

(O) Beneficial Conversion Feature

For conventional convertible debt where the rate of conversion is below market value, the Company records a "beneficial conversion feature" ("BCF") and related debt discount.

When the Company records a BCF, the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument (offset to additional paid in capital) and amortized to interest expense over the life of the debt.

(P) Debt Issue Costs and Debt Discount

The Company may record debt issue costs and/or debt discounts in connection with raising funds through the issuance of debt. These costs may be paid in the form of cash, or equity (such as warrants). These costs are amortized to interest expense over the life of the debt. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed.

(Q) Stock-Based Compensation - Non-Employees

Equity Instruments Issued to Parties Other Than Employees for Acquiring Goods or Services

The Company accounts for equity instruments issued to parties other than employees for acquiring goods or services under guidance of Sub-topic 505-50 of the FASB Accounting Standards Codification ("Sub-topic 505-50").

Pursuant to ASC Section 505-50-30, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity

instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur. If the Company is a newly formed corporation or shares of the Company are thinly traded the use of share prices established in the Company's most recent private placement memorandum ("PPM"), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

[Table of Contents](#)

The fair value of share options and similar instruments is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- Expected term of share options and similar instruments: Pursuant to Paragraph 718-10-50-2(f)(2)(i) of the FASB Accounting Standards Codification the expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and holder's expected exercise behavior into the fair value (or calculated value) of the instruments. The Company uses historical data to estimate holder's expected exercise behavior. If the Company is a newly formed corporation or shares of the Company are thinly traded the contractual term of the share options and similar instruments is used as the expected term of share options and similar instruments as the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.
- Expected volatility of the entity's shares and the method used to estimate it. Pursuant to ASC Paragraph 718-10-50-2(f)(2)(ii) a thinly-traded or nonpublic entity that uses the calculated value method shall disclose the reasons why it is not practicable for the Company to estimate the expected volatility of its share price, the appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index. The Company uses the average historical volatility of the comparable companies over the expected contractual life of the share options or similar instruments as its expected volatility. If shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.
- Expected annual rate of quarterly dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends. The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the expected term of the share options and similar instruments.
- Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the expected term of the share options and similar instruments.

Pursuant to Paragraphs 505-50-25-8 and 505-50-25-9, an entity may grant fully vested, non-forfeitable equity instruments that are exercisable by the grantee only after a specified period of time if the terms of the agreement provide for earlier exercisability if the grantee achieves specified performance conditions. Any measured cost of the transaction shall be recognized in the same period(s) and in the same manner as if the entity had paid cash for the goods or services or used cash rebates as a sales discount instead of paying with, or using, the equity instruments. A recognized asset, expense, or sales discount shall not be reversed if a share option and similar instrument that the counterparty has the right to exercise expires unexercised.

Pursuant to ASC paragraph 505-50-30-S99-1, if the Company receives a right to receive future services in exchange for unvested, forfeitable equity instruments, those equity instruments are treated as unissued for accounting purposes until the future services are received (that is, the instruments are not considered issued until they vest). Consequently, there would be no recognition at the measurement date and no entry should be recorded.

(R) Recent Accounting Pronouncements

On March 30, 2016, the Financial Accounting Standards Board ("FASB") released Accounting Standards Update on Stock Compensation Improvements to Employee Share-Based Payment Accounting (Topic 718). The objective of this update is to simplify several aspects of the accounting for employee share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The update becomes effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the new guidance to determine the impact it may have on its consolidated financial statements.

The Company does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, will have a material effect on the Company's consolidated financial position, results of operations, or cash flows.

NOTE 2 - NOTES PAYABLE CONVERTIBLE DEBENTURES AND NOTES PAYABLE

At September 30, 2015 the company had four notes outstanding. The first for \$100,000 owed to Top Dogg, LLC, originated on July 30, 2015; interest at 12% per year due July 30, 2016 convertible at a discount of 35% of the average bid for three consecutive days prior to conversion. The note is also repayable at a premium of \$15,000 over its face amount. The note is shown on the balance sheet net of deferred amortization costs or \$19,167.

Notes 2, 3, and 4 for \$35,663, \$7,819 and \$10,500 are with interest at 5% with notes 2 and 3 past due and note 4 due December 1, 2015.

Included in the notes payable is accrued interest of \$1,658.

NOTE 3 – DERIVATIVE LIABILITY

The Company recognized a derivative liability on its convertible notes of \$112,438 at September 30, 2015.

NOTE 4 - GOING CONCERN

As reflected in the accompanying financial statements, the Company had limited revenue and had a negative equity and a material loss. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Management intends to raise additional funds either through a private placement or through the public process. Management believes that the actions presently being taken to further implement its business plan will enable the Company to continue as a going concern. While the Company believes in the viability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate funds.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 5 - COMMON STOCK

At December 31, 2014 the Company had 12,616,214 outstanding post split common shares outstanding.

During the first quarter of 2015 the Company issued 19,038 shares for services valued at market resulting in an expense of \$9,405.

From April to June 2015 the Company issued 15,194 shares for services valued at market for \$4,480 and 73,017 shares for a reduction of debt of \$47,671.

From July 1, to September 30, 2015 the Company issued 2,149,417 shares for a reduction of debt of \$72,654.

NOTE 6 – RESTATED FINANCIAL STATEMENTS

The Company has restated its financials at September 30, 2015. A summary of the changes follows:

GREEN CURES AND BOTANICAL DISTRIBUTION, INC.

BALANCE SHEETS

September 30, 2015

	Originally		
	Reported	Restated	Difference
ASSETS			
Current Assets:			
Cash	2,498	2,498	-
Other	25,866	-	(25,866)
Total current assets	28,364	2,498	(25,866)
Other	63,543	4,636	(58,907)
Total Assets	\$ 91,907	\$ 7,134	(84,773)
LIABILITIES AND STOCKHOLDERS' DEFICIT			
CURRENT LIABILITIES:			
Accrued Expenses	\$ 29,068	\$ 29,068	-
Notes Payable	162,261	71,807	(90,454)
Derivative Liability	-	112,438	112,438
Accrued interest payable			
Total current liabilities	191,329	216,313	24,984

STOCKHOLDERS' DEFICIT

Preferred stock: \$0.001 par value;	376,675	18,338	
	-	-	-
Common stock: \$0.001			
	2,039,714	14,873	-
Additional Paid in Capital	29,938,099	177,976	-
			-
Accumulated deficit	(35,739,235)	(420,366)	(465,383)
Total stockholders' deficit	(99,412)	(209,179)	109,767
Total liabilities and stockholders' deficit	\$ 91,907	\$ 7,134	84,773

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

