

ISSUER INFORMATION AND DISCLOSURE STATEMENT

December 31st 2011

DNA DYNAMICS, INC.

1 Warwick Street,
Royal Leamington Spa,
Warwickshire,
CV32 5LW, UK

Tel: +44 1926 460180

Facsimile: 407-585-1081

CUSIP No. 25600R101

ISSUER'S EQUITY SECURITIES

COMMON STOCK

\$.001 Par Value

350,000,000 Common Shares Authorized

196,063,145 Shares Issued and Outstanding

PREFERRED STOCK

\$.001 Par Value

20,000,000 Shares Authorized

10,000,000 Shares Issued and Outstanding

FORWARD LOOKING STATEMENTS

THIS INITIAL COMPANY INFORMATION AND DISCLOSURE STATE, IN PARTICULAR, “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS” AND “BUSINESS,” INCLUDE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THESE STATEMENTS REPRESENT THE COMPANY’S EXPECTATIONS OR BELIEFS CONCERNING, AMONG OTHER THINGS, FUTURE REVENUE, EARNINGS, AND OTHER FINANCIAL RESULTS, PROPOSED ACQUISITIONS AND NEW PRODUCTS, ENTRY INTO NEW MARKETS, FUTURE OPERATIONS AND OPERATING RESULTS, FUTURE BUSINESS AND MARKET OPPORTUNITIES. THE COMPANY WISHES TO CAUTION AND ADVISE READERS THAT THESE STATEMENTS INVOLVE RISK AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS AND BELIEFS CONTAINED HEREIN. FOR A SUMMARY OF CERTAIN RISKS RELATED TO THE COMPANY’S BUSINESS, SEE “RISK FACTORS.” UNDER “DESCRIPTION OF BUSINESS.”

Unless the context requires otherwise, references to the Company or Issuer are to DNA Dynamics, Inc.

PART A GENERAL COMPANY INFORMATION

Cautionary Factors That May Affect Future Results (Cautionary Statements Under the Private Securities Litigation Reform Act of 1995)

The disclosure and analysis set forth herein contains certain forward looking statements, particularly statements relating to future actions, performance or results of current and anticipated products and services, sales efforts, expenditures, and financial results. From time to time, the Company also provides forward-looking statements in other publicly-released materials, both written and oral. Forward-looking statements provide current expectations or forecasts of future events such as new products or services, product approvals, revenues, and financial performance. These statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as “anticipates,” “intends,” “plans,” “expects,” “will,” and other words and phrases of similar meaning. In all cases, a broad variety of assumptions can affect the realization of the expectations or forecasts in those statements. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially.

The Company undertakes no obligation to update any forward-looking statements, but investors are advised to consult any further disclosures by the Company on this subject in its subsequent filings. Furthermore, as permitted by the Private Securities Litigation Reform Act of 1995, the Company provides these cautionary statements identifying risk factors, listed below, that could cause the Company’s actual

results to differ materially from expected and historical results. It is not possible to foresee or identify all such factors. Consequently, this list should not be considered an exhaustive statement of all potential risks, uncertainties and inaccurate assumptions.

RISK FACTORS

No Active Market. Although the Company's shares are listed on the Pink Sheets listing service, the Company believes that the public trading price may be an inaccurate representation of the value of the Company because there is little or no trading volume in the Company's shares and no analysts or NASD market makers actively follow the Company.

We have never issued a Dividend and don't anticipate any Dividends in the future. DNA Dynamics has never issued a dividend and we do not anticipate paying dividends on our common stock in the foreseeable future. Furthermore, we may also be restricted from paying dividends in the future pursuant to subsequent financing arrangements or pursuant to Delaware law.

You could be diluted from the Issuance of additional Common and Preferred Stock. DNA Dynamics is authorized to issue up to 350,000,000 shares of common stock and 20,000,000 shares of preferred stock. To the extent of such authorization, our board of directors will have the ability, without seeking shareholder approval, to issue additional shares of common stock in the future for such consideration as the board may consider sufficient. The issuance of additional common stock in the future may reduce your proportionate ownership and voting power.

Volatility of Stock Prices. In the event that there is an established public market for the Company's Common Stock, market prices will be influenced by many factors and will be more subject to significant fluctuations in response to variations in operating results of the Company and other factors such as investor perceptions of the Company, supply and demand, interest rates, general economic conditions and those specific to the industry, developments with regard to the Company's activities, future financial condition and management.

Applicability of Low Priced Stock Risk Disclosure Requirements. The Common Stock of the Company may be considered a low priced security under rules promulgated under the Securities Exchange Act of 1934. Under these rules, broker-dealers participating in transactions in low priced securities must first deliver a risk disclosure document which describes the risks associated with such stocks, the broker-dealer's duties, the customer's rights and remedies, certain market and other information, and make a suitability determination approving the customer for low priced stock transactions based on the customer's financial situation, investment experience and objectives. Broker-dealers must also disclose these restrictions in writing to the customer, obtain specific written consent of the customer, and provide monthly account statements to the customer. With all these restrictions, the likely effect of designation as a low priced stock will be to decrease the willingness of broker-dealers to make a market for the stock, to decrease the liquidity of the stock and to increase the transaction cost of sales and purchases of such stock compared to other securities.

PART A. GENERAL COMPANY INFORMATION

Item I. The exact name of the issuer and its predecessors (if any):

DNA Dynamics Corporation, a Delaware corporation

Item II. The address of its principal executive officers:

1 Warwick Street
Leamington
Warwickshire
CV32 5LW
Telephone- +44 1926 460180
Facsimile-

Item III. The jurisdiction(s) and date of the issuer's incorporation:

Delaware
July 1, 1981

PART B. SHARE STRUCTURE

Item IV. The exact title of securities outstanding:

Common Stock, \$.001 par value per share
Cusip Number – 25600R101
Trading Symbol – DNAD

Item V. Par or stated and description of the security:

A. Our outstanding security is our Common Stock and Preferred Series A Stock each with a \$.001 par value.

B. Each holder of Common Stock is entitled to one vote for each share held of record on each matter submitted to vote to stockholders, including election of directors. Stockholders do not have any right to cumulate votes on the election of directors. Each holder of Common Stock is entitled to share ratably in distributions to stockholders and to receive ratably such dividends as may be declared by the Board of Directors out of funds legally available. Therefore, in the event of our liquidation, dissolution or winding up, the holders of Common Stock will be entitled to receive, after payment of all of our debts and liabilities, and of all sums to which holders of any outstanding preferred stock, if any, may be entitled, the distribution of any of our remaining assets. Holders of our Common Stock have no conversion, exchange, sinking fund, redemption or appraisal rights (other than such as may be determined by the Board of Directors in its sole discretion) and have no preemptive rights to subscribe for any of our securities. There are no provisions in our Articles of Incorporation or By-Laws that would delay, defer or prevent a change of control of the Company.

C. Each holder of Preferred Stock is entitled to one hundred votes for each share held of record on each matter submitted to vote to stockholders, including election of directors. Preferred Stock is convertible into Common Stock on a 1-for-1 basis and votes at 100:1. Stockholders do not have any right to cumulate votes on the election of directors. Each holder of Preferred Stock is entitled to share ratably in distributions to stockholders and to receive ratably such dividends as may be declared by the Board of Directors out of funds legally available. Therefore, in the event of our liquidation, dissolution or winding up, the holders of Preferred Stock will be entitled to receive, after payment of all of our debts and liabilities, and of all sums to which holders of any outstanding common stock, if any, may be entitled, the distribution of any of our remaining assets.

Item VI. The number of shares or total amount of the securities outstanding for each class of securities authorized:

March 31, 2011	Authorized Shares	Outstanding Shares	Freely Trading Shares	Total Number of Beneficial Shareholders	Total Number of Shareholders of Record
Common	350,000,000	196,063,145	135,156,293	2	50
Preferred	20,000,000	10,000,000	0	2	2

PART C BUSINESS INFORMATION

Item VII. The name and address of the transfer agent:

Our transfer agent is:

Stalt, Inc.
671 Oak Grove Avenue, Suite C
Menlo Park, CA 94025
Tel: 650 321-7111
Fax: 650 321-7113

The transfer agent is registered under the Exchange Act and its regulatory authority is the Securities & Exchange Commission.

Item VIII. The nature of the issuer's business:

A. Business Development.

DNA Dynamics, Inc. is a corporation formed under the laws of the State of Delaware. DNA Dynamics, Inc. was originally incorporated on July 1, 1981.

On 20th January, 2011, 50,000,000 shares of Common Stock was issued to David Lovatt as remuneration for his role as Corporate Secretary.

On 16th June 2011, 15,000,000 shares of Common Stock were issued to Edward Blincoe for his role as President, Chairman and Chief Executive Officer.

On , 16th June 2011, David Lovatt returned 35,000,000 shares of Common Stock of DNA Dynamics.

On 27th September, 5,000,000 shares of Preferred Series A Stock of DNA Dynamics were issued to David Lovatt as remuneration for his role as Chief Operating Officer.

During the past three years the Company has not been in bankruptcy, receivership or involved in any similar proceeding.

The Company is not in default in the terms of any note, loan, lease, or other indebtedness or financing arrangements requiring the Company to make payments. Except as described herein, the Company has not during the past three years had any other stock splits, stock dividends, mergers, reorganization or similar transactions. The Company has not been the subject of any delisting by a securities exchange or a deletion from the OTC Bulletin Board. There are no current, pending or threatened legal proceedings or administrative actions against the Company nor has there been for the past three years.

B. Business of issuer:

The Company's Standard Industrial Code (SIC) is 5734-01. The company provides Mobile Games & Apps for Smartphones.

The Company operates its business at its offices located at 1, Warwick Street, Leamington, Warwickshire, CV32 5LW

The Company has an address in New York at 244, Fifth Avenue, Suite 1751, New York, New York, 10001.

Item IX. The nature of products or services offered:

DNA Dynamics, Inc. (The Company) restructured its subsidiary companies in October 2011 so that the two subsidiaries, DNA Interactive and DNA Studios now operate under a UK subsidiary, Helical Games Limited (HGL).

HGL was formed in 2011 primarily as an ownership vehicle for the two operating subsidiaries and holds all of the issued share capital of the two subsidiaries. DNAD owns all of the issued share capital of HGL.

DNA Interactive Limited (DNAI) was formed in the United Kingdom in 2010, with authorized common stock of 1000 shares. The organization is a Mobile Platform Application and Games Development company. DNAI is a wholly owned subsidiary of HGI.

The Company was acquired by DNA Dynamics, Inc. (PK:DNAD) in November 2010. (The company was formerly Apache Mobile).

DNA Studios Limited was formed in the United Kingdom in 2007, with authorized common stock of 100 shares. The organization is a Video Games Development company. The company was acquired by DNA Dynamics in April 2011. (The company was formerly Slam Productions)

The companies now operate as wholly owned subsidiaries of DNA Dynamics, Inc. where the Authorized Share Capital is 350,000,000 Common Shares and the Issued Share Capital is currently around 196,063,145. The common shares are currently trading at around \$0.002 per share.

The Company has 9 full time employee and 5 part time employees.

We have not incurred and do not anticipate incurring costs in complying with federal, state and local environmental laws.

Item X. The nature and extent of the issuer’s facilities:

The Company’s principal corporate office is located at 1 Warwick Street, Leamington, Warwickshire, CV32 5LW, UK where it uses approximately 2600 square feet. The Company believes that this space is adequate for its current operations, but is seeking to secure office space with more modern facilities.

PART D. MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item XI. The name of the Chief Executive Officer and members of the Board of Directors, as well as control persons:

The following tables set forth certain information regarding beneficial ownership of DNA Dynamics’s common stock and preferred stock as of December 31st 2011, by (i) each person (or group of affiliated persons) who is known by us to beneficially own more that 5% of the outstanding shares of our common stock, (ii) each director and executive officer of DNA Dynamics, Inc., and (iii) all executive officers and directors of DNA Dynamics, Inc., as a group. There are no conflicts of interest. Unless indicated otherwise, the address for each officer, director and 5% stockholder is c/o DNA Dynamic, Inc., at 1 Warwick Street, Leamington, Warwickshire, CV32 5LW, UK

Directors, Executive Officers and Management (1)

	Number	% Of Class
Edward Blincoe (2)	15,000,000 Common Stock 5,000,000 Preference A Stock	7% 50%
David Lovatt (3)	15,000,000 Common Stock 5,000,000 Preference A Stock	7% 50%
Paul Ranson	8,000,000 Common Stock	4%
Craig Weeks	8,000,000 Common Stock	4%

See Notes Below

(1) Except as otherwise indicated below, the persons and entity named in the table have sole voting and investment power with respect to all shares of preferred stock shown as beneficially owned by them, subject to applicable

community property laws. Each share of preferred stock converts into one (1) share of common stock, and each share of preferred stock carries 100 votes.

(2) Executive Chairman of the Board of Directors, President and Shareholder, Mr. Blincoe owns 5,000,000 shares of Preferred Stock and 15,000,000 Common Stock.

(3) Director, Chief Operating Officer, Secretary and Shareholder, Mr. Lovatt owns 5,000,000 shares of Preferred Stock and 15,000,000 Common Stock.

Ed Blincoe, 36, *President, CEO & Chairman of the Board of Directors* – Mr. Blincoe has worked in the videogames industry for 13 years for companies such as Codemasters, SouthPeak Interactive, 505 Games and GamesDomain. From November 2008 to mid-2010 Mr. Blincoe was European Marketing Director for videogames publisher SouthPeak Interactive and lead the European marketing team on console and PC games such as the licensed Horrid Henry (based on the ITV children's cartoon), Section 8 (for PC and XBox 360) 3D Dot Game Heroes and Velvet Assassin. From November 2005 to June, 2008 Mr. Blincoe was the Senior Marketer for the launch of The Lord of the Rings Online in Europe which is still today considered one of the biggest MMO (Massively Multiplayer Online) gaming releases of all time. Ed was also responsible for the launches and subsequent post launch marketing for Dungeons and Dragons Online, Archlord, RF Online, Time of Defiance, Darkaron, Dream of Mirror Online and Infinity Online. Mr. Blincoe is not a director or officer of a public company filing reports in accordance with the Securities Act of 1934.

David Lovatt, 37, *Corporate Secretary* - An experienced and technically aware professional with a successful career in Commercial & Sales Management who is hands on, creative, passionate, motivated, goal orientated and has an eye on the detail and not just the broad approach. David has a long history in sales execution, technology start-ups and development of VC backed and Public Companies. David was the Managing Director of Enable Software from July 2008 to April 2011 and the CEO of Cloud Centric Systems, Inc from October 2009 to February 2011. From July 2010 to April 2011, David was the President of Mobile Media Unlimited Holdings, Inc. From June 2007 to August 2008, Mr. Lovatt was the Global Partnerships Manager for MXSweep Limited. From March 2004 to June 2007, Mr. Lovatt was the Group Commercial Manager for Eclipse Group Solutions Limited.

Management Legal/Disciplinary History

During the past 5 years none of the officers or directors of DNA Dynamics, Inc. have been subject to Legal/Disciplinary action by any regulatory or government body, including any civil, criminal or injunctive action or judgment. Furthermore, none of the officers and directors has filed bankruptcy during the past 5 years.

Related Party Transactions and Family Relationships

There are no related party transactions within The Company, nor do the officers and directors have any family relationships between other shareholders, creditors or other parties involved with the business.

Summary Compensation Table

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u>	<u>Other Annual Compensation</u>	<u>Restricted Stock Awards</u>	<u>All Other Compensation</u>
Ed Blincoe	2011	\$35,000	0	15,000,000	0
President & CEO	2010	\$0.00	0	0	5,000,000 pref A Stock
	2009	\$0.00	0	0	0
David Lovatt	2011	\$35,000	0	15,000,000	5,000,000 pref A Stock
Director	2010	\$0.00	0	0	0
	2009	\$0.00	0	0	0

Members of the Board serve until the next annual meeting of shareholders and until their successors are elected and qualified. Officers are appointed by and serve at the discretion of the Board.

Item XII. Financial information for the issuer's most recent fiscal period:

The unaudited financial statements of the issuer are hereby incorporated by reference and are to be posted soon on www.otcmarkets.com

Item XIII. Similar financial information for such part of the two preceding years as the issuer or its predecessor has been in existence:

The unaudited financial statements of the issuer are hereby incorporated by reference and are to be posted soon on www.otcmarkets.com

Item XIV. Beneficial Owners.

<u>Beneficial Owner</u>	<u>Number of Shares</u>	<u>% of total issued</u>
Edward Blincoe, CEO C/O: DNA DYNAMICS, Inc. 1 Warwick Street Leamington CV32 5LW UK	15,000,000	6%
David Lovatt, COO C/O: DNA DYNAMICS, Inc. 1 Warwick Street Leamington CV32 5LW UK	15,000,000	6%

Item XV. The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker: Buckman, Buckman & Reid, *Headquarters and Supervisory Office, 174 Patterson Avenue, Shrewsbury, NJ 07702*
2. Investor Relations Counsel: Elite Financial Communications, *581 Technology Park*

- Suite 1009, Lake Mary, FL 32746-7127, 407-585-1080*
3. Counsel for SEC Registration: Brenda Hamilton, Hamilton & Associates Law Group P.A., *101 Plaza Real South, Suite 201 South, Boca Raton, Florida 33432*
 4. Counsel for OTC Filings:
 5. Accountant: (USA) Jonathan Tillotson, CPA, Executive Outcome, *4571 Via Del Valle, Yorba Linda, CA 92886*
 6. Accountant: (UK) Paul Clewlow MICB, CBDip, PMDip, Paul Clewlow & Co., *21 Bracken Drive, Wolvey, Warwickshire LE10 3LS*
 7. Auditor: Malone Bailey LLP, *Westchase District, 10350 Richmond Ave., Suite 800, Houston, TX 77042*
 8. Public Relations Consultant: None
 9. Promoters: None

Item XVI. Management's Discussion and Analysis or Plan of Operation:

Results of Operations

Results of Operations

Following is management's discussion of the relevant items affecting results for the year ending December 31st, 2011.

Revenues. The Company generated net revenues of \$43,717 during the twelve months ending December 31st, 2011 in comparison to ZERO revenues generated in the twelve months ending December 31st 2010. Management anticipates that future revenues will likely grow significantly. Due to the Company's business model and contracts agreed, both signed and verbal.

Cost of Sales. Cost of sales for the twelve months ending December 31st, 2011 is \$174,375. Management believes this excess of cost over sales is reasonable, given the recent history of the Company. Sales will progressively exceed their cost as the sales volume grows.

Salaries and Commission Expenses. The total amount of salaries paid to the twelve months to December 2011 was \$230,360. In the previous twelve months ending December 30th 2010, there were no salaries or commissions paid.

Professional Fees, Licensing and Permits. Professional fees, licensing, and permits will grow modestly as the Company pursues admittance to the OTCQB tier of OTC Markets.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the twelve months ending December 31st, 2011, was \$875,569. Given the history of the Company's operations, this is reasonable.

Liquidity and Capital Resources

The Company has financed its operations with cash generated from ongoing business activities as well as from unsecured loans. At December 31, 2011 and 2010, the Company had issued notes payable in the amount of \$318,230 and \$45,000. During the period ended December 31, 2011, the Company issued multiple notes in the amount \$303,230. On the whole, the 2011 notes are unsecured, bear interest

at 9% and are due from one year of their respective issuances. At December 31, 2011 \$12,686 in interest had been accrued on these notes.

PART E. ISSUANCE HISTORY

Item XVII List of Securities Offerings and Shares Issued for Services in the Past Two Years

Description	Date	Shares Offered	Shares Sold	Price Offered	Price Paid	Total Amount	Nature of the offering	Jurisdiction of offering	Trading Status	Legend
Hanover Holdings LLC	14/03/2011	9,090,909	9,090,909	\$0.005500	\$0.005500	\$50,000	504	Texas	Free	None
Fairhills Capital Offshore	20/09/2011	6,500,000	6,500,000	\$0.003077	\$0.003077	\$20,000	504	Delaware	Free	None
Elite Financial Communications	29/09/2011	5,882,352	5,882,352	\$0.004590	\$0.004590	\$27,000	Services	Delaware	Restricted	Restricted
Elliott Polatoff	18/10/2011	375,000	375,000	\$0.005000	\$0.005000	\$1,875	Services	Delaware	Restricted	Restricted
Paul Ranson	05/04/2011	8,000,000	8,000,000	\$0.013000	\$0.013000	\$104,000	Acquisition	Delaware	Restricted	Restricted
Demi Williams	05/04/2011	1,000,000	1,000,000	\$0.013000	\$0.013000	\$13,000	Acquisition	Delaware	Restricted	Restricted
Paul Preston	05/04/2011	25,000	25,000	\$0.004100	\$0.004100	\$103	Services	Delaware	Restricted	Restricted
Christopher Dewhirst	05/04/2011	25,000	25,000	\$0.004100	\$0.004100	\$103	Services	Delaware	Restricted	Restricted
David Lovatt	20/06/2011	15,000,000	15,000,000	\$0.001000	\$0.001000	\$15,000	Services	Delaware	Restricted	Restricted
Edward Blincoe	20/06/2011	15,000,000	15,000,000	\$0.001000	\$0.001000	\$15,000	Services	Delaware	Restricted	Restricted
Craig Weeks	07/06/2011	7,000,000	7,000,000	\$0.001000	\$0.001000	\$7,000	Services	Delaware	Restricted	Restricted
Craig Weeks	05/04/2011	1,000,000	1,000,000	\$0.013000	\$0.013000	\$13,000	Acquisition	Delaware	Restricted	Restricted
Terry Goodwin	07/06/2011	1,000,000	1,000,000	\$0.008800	\$0.008800	\$8,800	Services	Delaware	Restricted	Restricted

PART F EXHIBITS

Item XVIII Material Contracts

None

Item XIX Articles of Incorporation and Bylaws

1. Articles of Incorporation (See Articles of Incorporation in Filing section of PinkSheets.com)
2. Bylaws (See Corporation Bylaw in Filing section of PinkSheets.com)

Item XX Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None

Item XXI Issuer's Certifications

I, Ed Blincoe, certify that:

1. I have reviewed this Disclosure Statement of DNA Dynamics, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: March 30th 2012

By:  _____

Ed Blincoe
President & CEO

DNA DYNAMICS INC
Accountants' Report

Accountants' report to the directors of
DNA DYNAMICS INC

We have compiled the attached Financial Statements from the records and information provided to us by the management of the company.

The Balance Sheet, statement of operations, changes in stockholders equity and cash flows for the quarter ended 31 December 2011 have been prepared in accordance with the financial reporting standards applicable to small companies.

We have not carried out an audit or any other review of these financial statements, and consequently we do not express any opinion on these accounts, or any other form of assurance on them.

Paul Clewlow & Co
Accountants & Certified Bookkeepers

21 Bracken Drive
Wolvey
Hinckley
Warwickshire
LE10 3LS

20 March 2012

DNA DYNAMICS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2011 AND DECEMBER 31, 2010

ASSETS

	DECEMBER 31, 2011	DECEMBER 31, 2010
CURRENT ASSETS		
Cash	\$ -	\$ 1,570
Other receivable	25	146
Total current assets	25	1,716
Property, plant and equipment, net	3,367	-
Intangible asset, net	279	561
Goodwill	64,650	5,083
TOTAL ASSETS	\$ 68,321	\$ 7,360

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 137,391	\$ 5,000
Advances payable - related party	8,266	186
Advances payable	21,797	17,555
Notes payable	318,230	45,000
Total current liabilities	485,684	67,741
TOTAL LIABILITIES	485,684	67,741
COMMITEMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, \$0.001 par value, 350,000,000 shares authorized, 196,063,145 and 7,642,157 shares issued and outstanding as of December 31, 2011 and 2010, respectively	196,064	7,642
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; 5,000,000 shares issued and outstanding as of December 31, 2011 and 2010, respectively	5,000	5,000
Common stock issuance obligation	69,000	-
Additional paid in capital	1,294,913	-
Other comprehensive income	720	151
Accumulated deficit	(52,642)	(52,642)
Deficit accumulated during the development stage	(1,930,418)	(20,532)
Total stockholders' equity (deficit)	(417,363)	(60,381)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 68,321	\$ 7,360

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

DNA DYNAMICS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
AND FOR THE CUMULATIVE PERIOD JANUARY 1, 2010 (INCEPTION) THROUGH DECEMBER 31, 2011

	FOR THE YEAR ENDED DECEMBER 31, 2011	FOR THE YEAR ENDED DECEMBER 31, 2010	JANUARY 1, 2010 (INCEPTION) THROUGH DECEMBER 31, 2011
REVENUE	\$ 43,717	\$ -	\$ 43,717
OPERATING EXPENSES			
Professional fees	134,401	20,685	155,086
General and administrative	792,069	-	792,069
Advertising expense	39,974	-	39,974
LOSS FROM OPERATIONS	<u>966,444</u>	<u>20,685</u>	<u>987,129</u>
NET LOSS BEFORE OTHER EXPENSE	(966,444)	(20,685)	(987,129)
OTHER INCOME (EXPENSE)			
Interest expense	(986,777)	-	(986,777)
Foreign currency exchange gain (loss)	(382)	153	(229)
Total other expense	<u>(987,159)</u>	<u>153</u>	<u>(229)</u>
NET LOSS	<u>\$ (1,909,886)</u>	<u>\$ (20,532)</u>	<u>\$ (1,930,418)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>125,241,259</u>	<u>7,642,000</u>	<u>7,642,000</u>
BASIC AND DILUTED NET LOSS PER COMMON SHARE	<u>\$ (0.02)</u>	<u>\$ (0.00)</u>	<u>\$ (0.25)</u>

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

DNA DYNAMICS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

	Preferred Shares	Preferred Stock Par Value	Common Shares	Common Stock Par Value	Common Stock Issuance Obligation	Additional Paid-In Capital	Accumulated Deficit Since Inception	Accumulated Other Comprehensive Income	Total Stockholders' Deficit
Balance - January 1, 2010	-	\$ -	7,642,157	\$ 7,642	\$ -	-	\$ (52,642)	\$ -	(45,000)
Preferred stock issued for acquisition	5,000,000	5,000	-	-	-	-	-	-	5,000
Currency Translation	-	-	-	-	-	-	-	151	151
Net Loss for the Period	-	-	-	-	-	-	(20,532)	-	(20,532)
Balance - December 31, 2010	5,000,000	5,000	7,642,157	7,642	-	-	(73,174)	151	(60,381)
Common stock issued for cash	-	-	20,590,909	20,591	49,000	79,172	-	-	148,763
Common stock issued for acquisition	-	-	10,000,000	10,000	20,000	30,000	-	-	60,000
Common stock issued for services	-	-	44,307,352	44,308	-	295,173.00	-	-	339,481
Common stock issued for promissory notes	-	-	113,522,727	113,523	-	890,568.00	-	-	1,004,091
Currency translation	-	-	-	-	-	-	-	569	569
Net Loss for the Period	-	-	-	-	-	-	(1,909,886)	-	(1,909,886)
Balance - December 31, 2011	5,000,000	5,000	196,063,145	196,064	69,000	1,294,913	(1,983,060)	720	(417,363)

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

DNA DYNAMICS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010
AND FOR THE PERIOD JANUARY 1, 2010 (INCEPTION) THROUGH DECEMBER 31, 2011

	FOR THE YEAR ENDED DECEMBER 31, 2011	FOR THE YEAR ENDED DECEMBER 31, 2010	JANUARY 1, 2010 (INCEPTION) THROUGH DECEMBER 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)	\$ (1,909,886)	\$ (20,532)	(1,930,418)
Adjustments to reconcile net (loss) to net cash used in operating activities:			
Depreciation and amortization expense	1,223	282	1,505
Common stock issued for services	339,481	-	339,481
Interest expense from conversion of debt	974,091	-	974,091
Change in assets and liabilities			
(Increase) in other receivables	121	-	121
Increase in accounts payable and accrued expenses	107,394	20,250	127,644
Net cash (used in) operating activities	<u>-487,576</u>	<u>-</u>	<u>(487,576)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	(4,308)	-	(4,308)
Net cash (used in) investing activities	<u>(4,308)</u>	<u>-</u>	<u>(4,308)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received in acquisition of DNA Studios	25,999		25,999
Cash received in acquisition of DNA Interactive, Inc.	-	1,570	1,570
Advances payable - related party	8,080		8,080
Advances payable	4,242	-	4,242
Proceeds from note payable	303,230		303,230
Proceeds from the issuance of common stock	148,763	-	148,763
Net cash provided by financing activities	<u>490,314</u>	<u>1,570</u>	<u>491,884</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,570)	1,570	-
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>1,570</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u><u>-</u></u>	<u><u>\$ 1,570</u></u>	<u><u>-</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest	\$ -	\$ -	
Income Taxes	\$ -	\$ -	
NON CASH TRANSCATIONS:			
Liabilities assumed in acquisition of DNA Interactive, Inc.	\$ -	\$ 17,893	
Fixed assets assumed in acquisition of DNA Interactive, Inc.	\$ -	\$ 843	
Liabilities assumed in the acquisitions of DNA Studios Ltd.	\$ 51,275	\$ -	
Conversion of promissory notes to common stock	\$ 30,000	\$ -	
Acquisition of DNA Studios for common stock	\$ 60,000	\$ -	

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

DNA DYNAMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1- ORGANIZATION AND BASIS OF PRESENTATION

Organization

Current Business Operations

DNA Dynamics, Inc. (a corporation in the development stage) (the "Company) develops mobile games and applications for mobile and tablet devices including the iPhone, iPad and Android.

Business Operations prior to entering the Exploration Stage

DNA Dynamics was incorporated in the State of Delaware on July 1, 1981, under the name "Multi-Tech, Inc." From 1981 through 2008, we were involved in multiple businesses including DNA Research, Inc. Prior to winding down operations in 2009, we were a DNA research company.

Inception of Exploration Stage

During the first quarter of 2010, we engaged in discussions with various entities regarding potential debt and equity financing to support the development of our mobile applications. These discussions ultimately lead to our acquisition of DNA Interactive Ltd. on December 10, 2010. Management had determined that the commencement of the discussions in early 2010 represent our entry into the mobile applications industry as a development stage Company. Accordingly, the accompanying consolidated financial statements set forth the cumulative financial information for this new exploration stage, which we deem to have begun on or about January 1, 2010.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in the United States of America ("GAAP").

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Development Stage Company

The Company is considered to be in the development stage as defined by ASC 915. The Company has devoted substantially all of its efforts to the corporate formation, the raising of capital and attempting to generate revenues from the Company's application sales to mobile and tablet users.

Principles of Consolidation

We consolidate all investments in which we have more than a 50% voting interest. The accompanying consolidated financial statements include the accounts of DNA Dynamics, Inc. and our wholly owned subsidiaries, DNA Interactive Ltd. and Slam Productions Ltd. both United Kingdom registered companies. All significant intercompany accounts and transactions have been eliminated in consolidation.

DNA DYNAMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going Concern

The accompanying financial statements as of December 31, 2011 have been prepared assuming the Company will continue as a going concern. The Company has experienced a net loss, has a working capital deficit and has an accumulated deficit of \$1,900,560 at December 31, 2011. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management intends to raise additional debt and/or equity financing to fund future operations. There is no assurance that its plan can be implemented; or that the results will be of a sufficient level necessary to meet the Company's ongoing cash needs. No assurances can be given that the Company can obtain sufficient working capital through borrowings or that the continued implementation of its business plan will generate sufficient revenues in the future to sustain ongoing operations.

The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the possible inability of the Company to continue as a going concern. The asset and liability carrying amounts in the accompanying financial statements do not purport to represent realizable or settlement values.

Use of Estimates

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment is recorded at cost and depreciated over the estimated useful lives of the assets using principally the straight-line method. When items are retired or otherwise disposed of, income is charged or credited for the difference between net book value and proceeds realized. Ordinary maintenance and repairs are charged to expense as incurred, and replacements and betterments are capitalized.

The range of estimated useful lives used to calculate depreciation for principal items of property and equipment are as follows:

<u>Asset Category</u>	<u>Depreciation Period</u>
Furniture and Fixture	5 Years
Computer equipment	3 Years

Technology and Content

The majority of the Company's technology and content services are provided by independent consultants. Technology and content costs that consist principally of application development, editorial content and systems support as well as costs associated with the computer, storage and telecommunications infrastructure are expensed as incurred and are generally recorded as either computer or consulting expenses. Once technological feasibility has been reached and costs are determined to be recoverable, remaining costs associated with the application software are capitalized.

DNA DYNAMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Currency Translation and Transaction

The functional currency for DNA Dynamics foreign subsidiaries is the British pound. DNA Dynamic translates assets and liabilities to US dollars using period-end exchange rates, fixed assets using historical exchange rates, and translates revenues and expenses using average exchange rates during the period. Exchange gains and losses arising from translation of foreign entity financial statements are included as a component of other comprehensive loss.

Transactions denominated in currencies other than the functional currency of the legal entity are re-measured to the functional currency of the legal entity at the period-end exchange rates. Any associated transactional currency re-measurement gains and losses are recognized in current operations.

Comprehensive Loss

Comprehensive loss reflects changes in equity that results from transactions and economic events from non-owner sources. The Company had \$569 and \$151 in accumulated other comprehensive income for the years ended December 31, 2011 and 2010, respectively, from its foreign currency translation. As a result, total comprehensive losses for the years ended December 31, 2011 and 2010 were \$1,847,918 and \$20,532, respectively.

Impairment of Long-Lived Assets

In accordance with ASC Topic 360, *long-lived assets*, such as property, plant, and equipment, and purchased intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill and other intangible assets are tested for impairment. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. There were no events or changes in circumstances that necessitated an impairment of long lived assets.

Identifiable Intangible Assets

Intangible assets that are determined to have definite lives are amortized over the shorter of their legal lives or their estimated useful lives and are measured for impairment only when events or circumstances indicate the carrying value may be impaired in accordance with ASC 360, *long-lived assets*.

DNA DYNAMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company has adopted Accounting Standards Codification subtopic 740-10, Income Taxes (“ASC 740-10”). ASC 740-10 requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established, when necessary, to reduce deferred tax assets to amounts that are expected to be realized.

The Company adopted the provisions of FASB Interpretation No. 48; “Accounting For Uncertainty In Income Taxes” - An Interpretation of ASC Topic 740 (“FIN 48”). FIN 48 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments. At December 31, 2011 and December 31, 2010, the Company did not record any liabilities for uncertain tax positions.

Revenue Recognition

The Company will record revenue from sales in accordance with ASC 605. The criteria for recognition are as follows:

- 1) Persuasive evidence of an arrangement exists;
- 2) Delivery has occurred or services have been rendered;
- 3) The seller's price to the buyer is fixed or determinable, and
- 4) Collectability is reasonably assured.

Determination of criteria (3) and (4) will be based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments will be provided for in the same period the related sales are recorded.

Share-Based Compensation

The Company accounts for share-based compensation in accordance with Accounting Standards Codification subtopic 718-10, Stock Compensation (“ASC 718-10”). This requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors, including employee stock options and employee stock purchases related to an Employee Stock Purchase Plan based on the estimated fair values.

As of December 31, 2011, there were no outstanding employee stock options.

DNA DYNAMICS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic and Diluted Loss Per Common Share

Basic net loss per common share is computed using the weighted average number of common shares outstanding. Diluted loss per share reflects the potential dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants. There were no dilutive potential common shares as of December 31, 2011 and 2010. Because the Company has incurred net losses and there are no potential dilutive shares, basic and diluted loss per common share are the same.

Recently Issued Accounting Standards

In February 2010, the FASB issued Accounting Standards Update 2010-09 which amends ASC 855. FASB 2010-09 defines the term “SEC Filer” and eliminates the requirement that an SEC filer disclose the date through which subsequent events have been evaluated. This change was made to alleviate potential conflicts between ASC 855-10 and the reporting requirements of the SEC. FASB 2010-09 was effective immediately, but is not expected to have a material effect on the Company’s financial statements.

In February 2010, the FASB issued Update No. 2010-08 “Technical Corrections to Various Topics” (“2010-08”). 2010-08 represents technical corrections to SEC paragraphs within various sections of the Codification. Management is currently evaluating whether these changes will have any material impact on its financial position, results of operations or cash flows.

In April 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-17 (“ASU 2010-17”), Revenue Recognition-Milestone Method (Topic 605): Milestone Method of Revenue Recognition. The amendments in this Update are effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. Early adoption is permitted. If a company elects early adoption and the period of adoption is not the beginning of the entity’s fiscal year, the entity should apply the amendments retrospectively from the beginning of the year of adoption. The Company does not expect the provisions of ASU 2010-17 to have a material effect on the financial position, results of operations or cash flows of the Company.

There were various other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

Management does not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, consolidated financial position or cash flow.

DNA DYNAMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 3- ACQUISITIONS

DNA Interactive. - Business Combination

On December 10, 2010, we acquired all the shares of DNA Interactive, Ltd. (formerly Apache Mobile Ltd.), a United Kingdom Limited Company. Pursuant to the acquisition, the shareholders of DNA Interactive received 5,000,000 shares of our Series A Preferred Stock.

The acquisition was accounted for as a purchase, with the assets acquired and liabilities assumed recorded at fair value, and the results of DNA Interactive operations included in our financial statements from the date of acquisition.

The allocation of the purchase price of the assets acquired and liabilities assumed based on their fair values was as follows:

Cash	\$ 1,570
Other receivable	15,397
Intangible asset	843
Goodwill	5,083
Total assets acquired	22,893
Liabilities Assumed	(17,893)
Total	\$ 5,000

The amortizable intangible assets have useful lives not exceeding three years. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired and is not deductible for tax purposes.

DNA DYNAMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 3- ACQUISITIONS (CONTINUED)

DNA Studios. - Business Combination

On March 31, 2011, we acquired all the shares of DNA Studios, Ltd. (formerly Slam Productions Ltd.), a United Kingdom Limited Company. Pursuant to the acquisition, the shareholders of DNA Studios Ltd. received 15,000,000 shares of our common stock valued at a quoted market price of \$.004.

The acquisition was accounted for as a purchase, with the assets acquired and liabilities assumed recorded at fair value, and the results of DNA Studios operations included in our financial statements from the date of acquisition.

The allocation of the purchase price of the assets acquired and liabilities assumed based on their fair values was as follows:

Cash	\$ 25,999
Other receivable	25,944
Goodwill	59,567
Total assets acquired	111,510
Liabilities Assumed	(51,510)
Total	\$ 60,000

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired and is not deductible for tax purposes.

NOTE 4- PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2011 and December 31, 2010:

	<u>2011</u>	<u>2010</u>
Computer equipment	\$ 2,327	\$ -
Furniture and equipment	1,981	-
	4,308	-
Less: accumulated depreciation	(941)	-
Property and equipment, net	<u>\$ 3,697</u>	<u>\$ -</u>

The Company recorded depreciation expense for the years ended December 31, 2011 and 2010 of \$3,697 and \$0, respectively.

DNA DYNAMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 5- INTANGIBLE ASSETS

Intangibles are either amortized over their estimated lives, if a definite life is determined, or are not amortized if their life is considered indefinite. We account for the intangible assets at cost. Intangible assets acquired in a business combination, if any, are recorded under the purchase method of accounting at their estimated fair values at the date of acquisition. As of December 31, 2011 and 2010, we recorded \$282, respectively of amortization expense associated with its definite lived intangibles. Intangibles consist of the following:

	Est. Life	December 31, 2011	December 31, 2010
Source codes for gaming	3	\$ 847	\$ 847
Less: accumulated amortization		(564)	(282)
		\$ 282	\$ 564

NOTE 6- RELATED PARTY TRANSACTIONS

As of December 31, 2011 and 2010, the Company had related party advances payable of \$8,266 and \$186 due to a director of the Company. These related party advances are non-interest bearing, are unsecured and are payable on demand.

NOTE 7- ADVANCES PAYABLE

As of December 31, 2011 and 2010, the Company had related advances payable of \$21,797 and \$17,555 due to a director of the Company. These related party advances are non-interest bearing, are unsecured and are payable on demand.

NOTE 8- NOTE PAYABLE

At December 31, 2011 and 2010, the Company had issued notes payable in the amount of \$318,230 and \$45,000. During the period ended December 31, 2011, the Company issued multiple notes in the amount \$303,230. The 2011 notes are unsecured, bear interest at 9% and are due from one year of their respective issuances. At December 31, 2011 \$12,686 in interest had been accrued on this note.

During the year ended December 31, 2011, the Company converted \$30,000 in notes payable into 113,522,727 shares issued at \$.001 per share or \$838,091. The Company recorded interest expense due to the fair value of the shares being in excess of the face value of the convertible notes in the amount of \$974,091 at December 31, 2011.

DNA DYNAMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 9- STOCKHOLDERS' EQUITY

Common Shares

The Company was established with two classes of stock, common stock – 350,000,000 shares authorized at a par value of \$0.001 per share and preferred stock- 20,000,000 shares authorized at a par value of \$0.001 per share.

Pre-inception the Company issued 7,642,000 shares of common stock to the Company's former founder and various consultants at a value of \$7,642 (\$.001 per share) for services rendered. Those 7,642,000 shares were valued at \$.001 per share based on the fair value of the services performed on the date of issuance. No quoted market price was available on the date of issuance.

On March 31, 2011, the Company agreed to issue 15,000,000 shares to acquire DNA Studios Ltd. As of December 31, 2011 the Company had issued 10,000,000 shares valued at \$40,000 (\$.004 per share). As of December 31, 2011 the Company was still obligated to issue 5,000,000 shares. See Note 3.

During the period January 1, 2011 through December 31, 2011 the Company raised \$99,763 through the sale of 20,590,909 shares of common stock.

During 2011, the Company issued 113,522,727 of common stock for the conversion of \$30,000 of promissory notes. The shares were valued at \$1,004,091. See Note 8.

During 2011, the Company issued 14,307,352 shares of common stock for consulting services valued at \$99,481 (\$.00695 per share).

During 2011, the Company issued 30,000,000 shares of common stock to directors valued at \$240,000 (\$.0080 per share) for services performed which included the following: amending the articles of incorporation, application development and identifying strategic business partners.

Common Stock Issuance Obligation

On March 31, 2011, the Company agreed to issue 15,000,000 shares to acquire DNA Dynamics, Inc. of which 10,000,000 had been issued as of December 31, 2011. The remaining 5,000,000 shares valued at \$20,000 (\$.004 per share) were recorded as a share issuance obligation.

On November 17, 2011 and December 22, 2011 the Company agreed to issue 19,500,000 and 5,000,000 shares of common stock for \$49,000 (.002 per share). As of December 31, 2011 the Company had not issued the shares for the proceeds. The Company subsequently issued the shares in 2012.

Preferred Shares

On December 10, 2010, the Company issued 5,000,000 Series A preferred shares valued at \$5,000 (\$.001 per share). See Note 3.

DNA DYNAMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 10- COMMITMENTS AND CONTINGENCIES

On April 1, 2011, the Company entered into a lease agreement that expires on April 1, 2012 for office space in London. The lease calls for monthly payments of approximately \$1,540. Rent expense for the year ended December 31, 2011 was approximately \$12,327.

The scheduled lease payments for the office space are as follows:

April 1, 2012	\$	12,327
Total	\$	<u>12,327</u>

NOTE 11- INCOME TAXES

As of December 31, 2011 and 2010, the Company had no significant current or deferred taxes.

The net deferred tax asset consists of the following at December 31, 2011 and 2010:

	DECEMBER 31, 2011	DECEMBER 31, 2010
Net taxable losses	\$ 209,728	\$ 7,033
Deferred income tax liabilities	-	-
Subtotal	209,728	7,033
Valuation allowance	(209,728)	(7,033)
Net	\$ -	\$ -

Based upon the net operating losses incurred since inception, management has determined that the deferred tax asset as of December 31, 2011 and 2010, will likely not be recognized. Consequently, the Company has established a valuation allowance against the entire deferred tax asset.

As of December 31, 2011, the Company had a net operating loss carry forward of approximately \$1,930,418 with an initial carry forward period of 20 years.

A reconciliation of income taxes computed at the statutory income tax rate to the provision (benefit) for income taxes for the periods ended December 31, 2011 and 2010, is as follows:

	DECEMBER 31, 2011	DECEMBER 31, 2010
Statutory tax at 34%	\$ (656,342)	\$ (7,033)
Permanent differences – primarily stock-based compensation	115,423	-
Permanent difference – interest expense from conversion	331,191	-
Valuation allowance	(209,728)	(7,033)
Provision (benefit) for income taxes	\$ -	\$ -

DNA DYNAMICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 11- INCOME TAXES (CONTINUED)

Section 382 of the Internal Code allows post-change corporations to use pre-change net operating losses, but limit the amount of losses that may be used annually to a percentage of the entity value of the corporation at the date of the ownership change. The applicable percentage is the federal long-term tax-exempt rate for the month during which the change in ownership occurs.