PPJ HEALTHCARE ENTERPRISE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS YEAR ENDED (UNAUDITED)

	1ST QTR ENDED MARCH 31, 2017	YEAR ENDED DECEMBER 31, 2016
Gross sales contract and service revenue	102,111*	$ 330,882*
Operating Expenses:		
Contract and service cost	$ 97,558	252,335
Marketing expenses	7,103	42,106
Legal expenses	7,239	51.323
Software R&D	-0-	-0-
Total Operating Expenses	111,900	345,784
Operating Income	(9,789)	(14,902)
Loss on Assets		
Net Income	(9,789)	(14,902)
Earnings per share	$ (0.0019)	$ (0.002)
Common shares outstanding	7,010,836,058	7,010,836,058

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

PPJ HEALTHCARE ENTERPISE, INC.

CONSOLIDATED BALANCE SHEETS ENDED 1ST QTE 2017 AND DECEMBER 31, 2016 (UNAUDITED)

ASSETS	QTR ENDED MARCH 31, 2017	YEAR ENDED DECEMBER 31, 2016
Current Assets		
Cash	$ 7,243	$ 24,222
Contracts receivable	997,100	968,116
Inventory	114,771	122,204
Total Current Assets	$1,119,114	1,114,542
Equipment, net of accumulated depreciation	26.660	28,212
Lease deposit	15,980	15,980
Investment in software	920,984	920,984
Total Assets	$2,082,738	$ 2,079,718
Current Liabilities		
Accounts payable	40,968	43,968
Due to officers and directors	1,037,138	927,138
Lease liabilities (3 years)	50,941	60,841
Loans payable	51,801	58,801
Convertible secured notes w int.	$393,596	393,596
Other Loan/Judgmnets	152,768	216,000
Legal expenses accrued	4,198	126,778
Other liability from 2006 $1,118,557 not added in the liabilities – Preferred		

shares to be issued- lender in Bankruptcy.		
Total Current Liabilities	1,731,410	1,827,122
Total Liabilities	1,731,410	1,827,122
**** Preferred Stocks to be issued, not added in the liability**		
Stockholders' Equity		
Class A Preferred Stock, par value $10.00; 5,000,000 authorized, none issued	-0-	-0-
Class B Preferred Stock, $2.50 par value, 50,000,000 authorized, 2,118,000 issued and outstanding as of December 31, 2015 and 1 QTR, 2016	5,295,000	5,295,000
Class E Preferred Stock, $0.01 par value, 100,000,000 authorized, none issued	100,050	100,050
Common shares to be issued for incentives		
. Common Stock, $0.00001 par value; 20,000,000,000 authorized; issued: December 31, 2015 – 4,035,473,847 shares AND December 31, 2016 was 7,010,836,058 @.0001	7,010,836	7,010,836
Additional paid in capital	3,310,851	3,310,851
Accumulated deficit	(15,621,025)	(15,464.141)
Total Stockholders' Equity	255,616	252,596
Total Liabilities and Stockholders' Equity	$ 2,082,738	$2,079,718

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

PPJ HEALTHCARE ENTERPRISE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
QTR ENDED MARCH 31, 2017 (UNAUDITED)

	1ST QTR ENDED MARCH 31, 2017
Operating Activities	
Net income (loss)	(9,789)***
Less depreciation	
Adjustments to reconcile changes in operating assets and liabilities	
Contracts Receivable	
Lease Deposit	(15,980)
Accrued Litigation Expenses	4,198
Contingent Asses	
Net Cash Provided by operating Activities	
Investing Activities	
Investment in Software	
Equipment	
Lease Liabilities	50,941
Total Investing Activities	
Financing Activities	
	51,801
Loans Payable	
Common Stock	
Additional Paid in Capital	

Total Financing Activities

Inventory	122,204
Accounts payable	43,968
Net cash provided by (used in) operating activities	
Financing activities	
Increase (decrease) in long term debt	
Common Stock issued	
Additional paid in capital	
Net cash provided by financing activities	
Net increase (decrease) in cash	
Cash at beginning of period	24,222
Cash at end of period	7,243

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

PPJ HEALTHCARE ENTERPRISE, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

AS OF MARCH 31, 2017 (UNAUDITED)

	Common Stock		Series B Preferred Stock		Addl Paid in Capital	Net Income	Retained Earnings	Total Shareholders' Equity
Balance – January 1, 2017	7,010,836,058		2,118,000	5000	3,262,740	(15,464,141)		252,596
Stock issued for services								
Stock issued as officers and directors compensation	3,400,000,000							
Stock issued as incentive shares								
Stock issued on conversion of notes	471,894,429							
Net income March 31, 2017	(9,789)					()		
Balance March 31, 2017	7,010,836,058		2,118,000	105,000	3,310,851			255,616

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

New Findings and Update

Attacks by Janice Shell

Years ago Janice Shell started on an unrelenting, malicious and criminal campaign to destroy PPJE and Ms. Basu. Her actions included but were not limited to, the following:

https://www.scribd.com/document/339439104/PPJE-Court-s-Finding-Grewal-vs-Basu

Posting false information about the PPJE and its CEO on 100's of occasions on InvestorsHub.com and elsewhere, including false information on the Grewal trial.

Interfering business relations with prospective clients by means of fraudulent statements.

Promoting frivolous lawsuits against PPJE by means of fraud.

Interfering with personal business of its CEO by interfering by interference with trustee's office and the Sutter County and then with the balance of a property tax sale causing Ms. Basu to lose more than $400,000 that belong to her children.

Her efforts over the years to destroy PPJE are beyond count. Her fraud and defamation have resulted in many millions in lost contracts.

She has been involved in jury tampering and destruction of evidence, including bribing an attorney and a PPJE employee.

She has criminally instigated frivolous lawsuits against PPJE and Ms. Basu.

She provided fraudulent information to regulatory authorities in an attempt to get PPJE and Ms. Basu sanctioned.

By means of fraud, she has interfered with PPJE's business relations.

In order to do all this, she have to be highly paid yet she has not disclosed who her financial backer is, thus violating Section 17B and committing securities fraud.

As you may be aware the law of fraud contains the following elements: a misstatement of material fact made with scienter that is reasonably relied upon and damages.

In her case, she deliberately made hundreds if not thousands of fraudulent statements that caused damages to PPJ clients from lost stock market value, lost business, expenses for defending frivolous lawsuits and more.

She continued in this criminal and malicious course of conduct despite having received two Cease and Desist letters. Rather she chose to ignore them both.

PPJ HEALTHCARE ENTERPRISE, INC
NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies and Organization

Note A: Organization and Nature of Business: The Company was incorporated in the State of Nevada on May 2, 2000, as Winfield Capital Group, Inc. On June 6, 2001, the Company filed a Certificate of Amendment to its Articles of Incorporation to affect a name change to "Winfield Financial Group, Inc." On April 23, 2004, the Company acquired 100% of the equity interest of Healthcare Business Services Groups, Inc. (“Healthcare”), a Delaware corporation (“Healthcare”). As part of the same transaction, on May 7, 2004, the Company acquired 100% of the equity interest of AutoMed Software Corp. ("AutoMed"), a Nevada corporation, and 100% of the membership interests of Silver Shadow Properties, LLC ("Silver Shadow"), a Nevada single member limited liability company. The transactions are collectively referred to herein as the "Acquisition”. Prior to the Acquisition, the Company was a business broker, primarily representing sellers and offering its clients' businesses for sale. Because of the Acquisition, the Company changed its business focus to medical billing.

On January 7, 2005, the Company filed a Certificate of Amendment to its Articles of Incorporation, with the Nevada Secretary of State and changed its name to "Healthcare Business Services Groups, Inc."

On or about May 7, 2004, the Company acquired Healthcare, AutoMed and Silver Shadow from Chandana Basu, the sole owner, in exchange for 25,150,000 newly issued treasury shares of the Company's Common Stock and became the sole voting power and 80% of the stock holders. Because of the Acquisition, the Company has changed its business focus.

On June 21, 2004, the Company entered into an agreement with Robert Burley (former Director, President and Chief Executive Officer of the Company) and Linda Burley (former Director and Secretary of the Company) whereby the Company agreed to transfer certain assets owned by the Company immediately prior to the change in control in consideration for Mr. and Mrs. Burley's cancellation of an aggregate of 2,640,000 of their shares of the Company's common stock. The Company transferred the following assets to Mr. and Mrs. Burley: (i) the right to the name "Winfield Financial Group, Inc." and (ii) any contracts, agreements, rights or other intangible property that related to the Company's business operations immediately prior to the change in control whether such intangible property was accounted for in the Company's financial statements. After the issuance of shares to Ms. Basu and the cancellation of 2,640,000 shares of Mr. and Mrs. Burley's Common Stock, there were 29,774,650 shares of the Company's Common Stock outstanding. Because of these transactions, control of the Company shifted to Ms. Basu. At closing, Ms. Basu owned 25,150,000 shares (or approximately 81%) out of 33,960,150 shares of the Company's issued and then outstanding Common Stock.

On February 14, 2008, the Company amended its articles of incorporation in Nevada to change its name to PPJ Enterprises. Also in February of 2008, the Company completed a 1 for 400 reverse stock split. On October 26, 2011, the Company completed a 1 for 100 reverse stock split.

On June 20, 2014, the Company changed its business plan to joint venturing with doctors in setting up new practices, marketing and management of pain management practices and blood culture labs with a higher percentage of revenue. The Company has two such new relationships with Southern California with physicians and is looking forward to growing this line of business in the very near future. This project has been running slow due lack of resources and time for trial preparation.

On October 17, 2014, the Company filed Articles of Conversion of the Company with the State of Nevada**,** and on October 27, 2014, the Company filed the State pf Florida Articles of Incorporation, reincorporating in the State of Florida. On December 1, 2014, the Company effectively completed a 1 for 100 reverse stock split of its issued and outstanding shares of common stock and changed its name from PPJ Enterprises to PPJ Healthcare Enterprises, Inc.

The Company recently made a one for 100 reverse split of the Common Stock, payable July 25, 2016. The numbers in these financial statements do not reflect this reverse split.

Principles of Consolidation

The accompanying consolidated financial statements include the results of operations of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Going Concern

As shown in the accompanying financial statements, the Company incurred losses from operations resulting in 2015. As of September 30, 2016 the Company's current liabilities exceeded its liquid current assets and the Company has notes that are due and is unable to pay. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company will require substantial additional funding for continuing expansion and to implement its business plans. There is no assurance that the Company will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to the Company. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Note B: Asset Impairments

The balance sheet of the Company for the period ended December 31, 2014 recorded Contracts Receivable of $3,074,103. $2,589,094 of this contracts receivable have been written off as uncollectible in the current financial statements. The Company may continue to attempt to collect some of these contracts, but their collection is doubtful given the age of the contracts and the collections to date. The result is an extraordinary charge to earnings of this amount.

The balance sheet of the Company for the period ended December 31, 2014 recorded assets of $8,453,041 which represented amounts that might be collected on a lawsuit retrial. The lawsuit has ended and this item is being written off as loss of $8,127,041. The result is an extraordinary charge to earnings of this amount.

Note C: Cash and Cash Equivalents

For purposes of the cash flow statements, the Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents.

Note D: Accounts Receivable

Accounts receivable are carried at the original invoiced amount less an allowance for doubtful accounts based on the probability of future collection. Management reviews accounts receivable on a periodic basis to determine if any receivables will potentially be uncollectible. The Company reserves for receivables that are determined to be uncollectible, if any, in its allowance for doubtful accounts. After the Company, has exhausted all collection efforts, the outstanding receivable is written off against the allowance.

<u>Allowance for Doubtful Accounts and Contracts Receivable</u>

We generate most our revenues and corresponding accounts receivable from the sales of software products. We evaluate the collectability of our accounts receivable considering a combination of factors. In circumstances where we are aware of a specific customer’s inability to meet its financial obligations to us, we record a specific reserve for bad debts against amounts due to reduce the net recognized receivable to the amount we reasonably believe will be collected. For all other customers, we recognize reserves for bad debts based on past write-off experience and the length of time the receivables are past due.

The receivables given are receivables for past services for which invoices have been submitted but payments have not been received. The Company has referred these amounts to collection. Some amounts may be reduced or increased once settlements reached.

The Company has elected to write off $2,589,094 in contracts receivable as uncollectible.

Note E: Litigation

The Company sued Narinder S. Grewal et al and the Company was awarded $374,000. The Company feels that this low award was since most of the Company's admitted evidence was stolen by the Defendants.

On November 17, 2015, the Company filed a lawsuit against the Company's former counsel in the litigation involving Narinder S. Grewal et al. This lawsuit asks for $6 million in damages on the grounds of negligence. There is no assurance that anything will be recovered.

The Company has written off $8,127,041 of Assets booked about the Grewal litigation. See Note B.

Note F: Convertible Notes

To finance its operations, the Company has entered a series of one year convertible notes. In general, these notes are convertible into common stock at a discount of from 40% to 60% of the market price at the time of conversion. As of March 31, 2014, three of these notes with a face amount of $78,222 were due and unpaid. During 2013, and 2014 the Company issued 22 notes with a face amount of $516,480. Some of these notes were converted during 2015. The balance of these convertible notes is approximately $342,000 without interest and late fees on September 30, 2016.

The Company is in default on these notes and has entered negotiations with the lenders.

2006 Notes

On June 27, 2006, the Company entered a Securities Purchase Agreement (the “Securities Purchase Agreement”) with New Millennium Capital Partners II, LLC, AJW Qualified Partners, LLC, AJW Offshore, Ltd. and AJW Partners, LLC (collectively, the “Investors”). Under the terms of the Securities Purchase Agreement, the Investors purchased an aggregate of (i) $2,000,000 in callable convertible secured notes (the “Notes”) and (ii) warrants to purchase 50,000,000 shares of our common stock (the “Warrants”).

Pursuant to the Securities Purchase Agreement, the Investors will purchase the Notes and Warrants in three tranches as set forth below:

1. At closing on June 29, 2006 (“Closing”), the Investors purchased Notes aggregating $700,000 and warrants to purchase 50,000,000 shares of our common stock;

2. Upon the filing of a registration statement registering the shares of common stock underlying the Notes (“Registration Statement”), the Investors will purchase Notes aggregating $600,000; and,

3. Upon effectiveness of the Registration Statement, the Investors will purchase Notes aggregating $700,000.

The Notes carry an interest rate of 6% and a maturity date of June 27, 2009. The notes are convertible into our common shares at the Applicable Percentage of the average of the lowest three (3) trading prices for our shares of common stock during the twenty

(20) Trading day period prior to conversion. The “Applicable Percentage” means 50%; provided, however, that the Applicable Percentage shall be increased to (i) 55% if a Registration Statement is filed within thirty days of the closing and (ii) 60% if the Registration Statement becomes effective within one hundred and twenty days from the Closing.

At the Company's option, the Company may prepay the Notes if no event of default exists, there are enough shares available for conversion of the Notes and the market price is at or below $.05 per share. In addition, if the average daily price of the common stock, as reported by the reporting service, for each day of the month ending on any determination date is below $.05, the Company may prepay a portion of the outstanding principal amount of the Notes equal to 101% of the principal amount hereof divided by thirty-six (36) plus one month’s interest. Exercise of this option will stay all conversions for the following month. The full principal amount of the Notes is due upon default under the terms of Notes. In addition, the Company has granted the investors a security interest in substantially all its assets and intellectual property as well as registration rights.

The Company simultaneously issued to the Investors seven year warrants to purchase 50,000,000 shares of our common stock at an exercise price of $.07. Which has now expired.

The Investors have contractually agreed to restrict their ability to convert the Notes and exercise the Warrants and receive shares of the Company’s common stock such that the number of shares of the Company’s common stock held by them and their affiliates after such conversion or exercise does not exceed 4.99% of the then issued and outstanding shares of the The Company is committed to filing an SB-2 Registration Statement with the SEC within 30 days from the Closing Date the Company will receive the second tranche of the funding when the SB-2 is filed with the SEC and the third and final tranche of the funding when the SB-2 is declared effective by the SEC. There are penalty provisions for us should the filing not become effective within 120 days of the Closing Date. The notes are secured by all our assets to the extent of the outstanding note.

The Company is currently in default on $342,000 of these notes and has entered settlement negotiations with the lenders. About the 2006 convertible notes, the lender is in bankruptcy and the Company may be able to issue Class B Preferred B Stock for these notes. At present, there are $1,118,557 of such notes outstanding.

Note G: Stock Issuance

During 2016, the Company issued 1,479,912,501shares of Common Stock pursuant to the conversion of debt and 2,100,000,000 for services. Five thousand shares of Preferred E were issued as incentive shares.

Note H: Revenue Recognition

The Company's revenue recognition policies are in compliance with Staff Accounting Bulletin SAB 104. All revenue is recognized when persuasive evidence of an arrangement exists, the service or sale is complete, the price is fixed or determinable and collectability is reasonable assured. Revenue is derived from collections of medical billing services. Revenue is recognized when the collection process is complete which occurs when the money is collected and recognized on a net basis.

License revenue - the Company recognizes revenue from license contracts when a no cancelable, non-contingent license agreement has been signed, the software product has been delivered, no uncertainties exist surrounding product acceptance, fees from the agreement are fixed and determinable and collection is probably. Any revenues from software arrangements with multiple elements are allocated to each element of the arrangement based on the relative fair values using specific objective evidence as defined in the SOPs. If no such objective evidence exists, revenues from the arrangements are not recognized until the entire arrangement is completed and accepted by the customer. For arrangements that require significant production, modification or customization of software, the entire arrangement is accounted for by the percentage of completion method, in conformity with Accounting Research Bulletin ("ARB") No. 45 and SOP 81-1.

Services Revenue - Revenue from consulting services is recognized as the services are performed for time-and-materials contracts and contract accounting is utilized for fixed price contracts. Revenue from training and development services is recognized as the services are performed. Revenue from maintenance agreement is recognized ratably over the term of the maintenance agreement, which in most instances is once year. The Company currently outsources servicing of these contracts.

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 the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are used for, but are not limited to: (1) revenue recognition; including the estimated expected customer life; (2) asset impairments; (3) depreciable lives of assets; (4) fair value of stock-based compensation; (5) allocation of direct and indirect cost of sales; (6) fair value of identifiable purchased tangible and intangible assets in a business combination; (7) fair value of reporting units for goodwill impairment test and (8) litigation reserves. Actual results could significantly differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. This reclassification does not affect the net income (loss) of the Company for the period ended December 31, 2016.

Note I: Property and Equipment

Property and equipment is stated at cost. Additions are capitalized and maintenance and repairs are charged to expense as incurred. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is provided using the straight-line method over the estimated useful life of the assets from three to seven years. Expenditures for maintenance and repairs are charged to expense as incurred.

Note J: Software Development Costs

The Company complied with Statement of Position 98-1 ("SOP 98-1") “accounting for the costs of computer software developed or obtained for internal use", as accounting policy for internally developed computer software costs. Under SOP 98-1, we capitalized software development costs incurred during the application development stage.

Subsequently, the Company decided to market the software Automed. Therefore, the Company is following the guideline under SFAS 86. SFAS 86 specifies that costs incurred internally in creating a computer software product shall be charged to expense when incurred as research and development until technological feasibility has been established for the product. Thereafter, all software production costs shall be capitalized and subsequently reported at the lower of unamortized cost or net realizable value.

Capitalized costs are being amortized based on current and future revenue for the product (Automed) with an annual minimum equal to straight-line amortization over the remaining estimated economic life of the product.

Note K: Impairment of Long-Lived Assets

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144") which addresses financial accounting and reporting for the impairment of disposal of long-lived assets and supersedes SFAS No. 121, "accounting for the impairment of long-lived assets and for Long-lived assets to be disposed of," and the accounting and reporting provisions of APB Opinion No. 30, "reporting the results of operations for a disposal of a segment of a business." The Company periodically evaluated the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long lived Assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of its determined in a similar manner, except that fair market values are reduced for the cost of disposal.

Note L: Stock Based Compensation

The Company adopted SFAS No. 123-R effective January 1, 2006 using the modified prospective method. Under this transition method, stock compensation expense includes compensation expense for all stock-based compensation awards granted on or after January 1, 2006 based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123-R.

Prior to January 1, 2006 the Company measured stock compensation using the intrinsic value method of accounting in accordance with Accounting Principles Board (APB)

Opinion No. 25, Accounting for Stock Issued to Employees," and related interpretations (APB No. 25) and has opted for the disclosure provisions of SFAS No. 123. Thus, expense was generally not recognized for the Company's employee stock option and purchase plans.

There were no unvested stock options as of December 31, 2006 and the Company has neither granted nor vested any stock options during the year ended December 31, 2006.

Note M: Income Taxes

The Company accounts for income taxes under the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 109. "Accounting for income taxes" ("statement 109"). Under Statement 109, deferred taxes assets and liabilities and their Respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Note N: Basic and Diluted Net Loss per Share

Net loss per share is calculated in accordance with the Statement of Financial Accounting Standards No. 128 (SFAS No. 128), "Earnings per Share." Basic net loss per share is based upon the weighted average number of common shares outstanding. Dilution is computed by applying the Treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Weighted average number of shares used to compute basic and diluted loss per share is the same since the effect of dilutive securities is anti-dilutive.

Note O: Fair Value of Financial Instruments

Statements of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments" requires disclosures of information about the fair value of certain financial instruments for which it is practicable to estimate that value. For purposes of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying amounts of the Company's accounts and other receivables, accounts payable, accrued liabilities, factor payable, capital lease payable and notes and loans payable approximates fair value due to the relatively short period to maturity for These instruments.

Note P: Concentrations of Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are cash and accounts receivable. The Company places its cash with financial institutions deemed by management to be of high credit quality. The amount on deposit in any one institution that exceeds federally insured limits is subject to credit risk. All the Company's revenue and majority of its assets are derived from operations in United States of America.

Note Q: Reporting Segments

Statement of Financial Accounting Standards No. 131, Disclosures about Segments of and Enterprise and Related Information (SFAS No. 131) which superseded statement of Financial Accounting Standards No. 14, Financial Reporting for Segments of a Business Enterprise, establishes standards for the way that public enterprises report information about operating segments in annual financial statements.
Healthcare was a medical billing service provider. Healthcare's sister company, Silver Shadow, made an investment in real estate where Healthcare plans to construct its first surgical center and corporate office development.

There has been very insignificant activity in Automed and silver shadow. Hence the Company has determined it has only one segment.

Note R: Comprehensive Income

Statement of Financial Accounting Standards No. 130 Reporting Comprehensive Income (SFAS No. 130), establishes standards for reporting and displays of comprehensive income its components and accumulated balances. Comprehensive income is denied to include all changes in equity, except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS No. 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income to be reported in financial statements that are displayed with the same prominence as other financial Statements.

Note S: Stockholders Equity

Preferred Stock – The Company's Board of Directors has the authority, without further action by stockholders, to issue shares of preferred stock in one or more series. The Company's Board of Directors may designate the rights, preferences, privileges, and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference, and number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on the Company's common stock, diluting the voting power of its common stock, impairing the liquidation rights of its common stock, or delaying or preventing a change in control. The ability to issue preferred stock could delay or impede a change in control.

Common Stock – Common stockholders are entitled to one vote per share and dividends when declared by the Board of Directors, subject to any preferential rights of preferred stockholders.

Reverse Stock Split

On December 1, 2014, the Company affected a reverse stock split of its outstanding and authorized shares of common stock at a ratio of 1 for 100. All amounts presented in these financial statements have been adjusted for the reverse stock split.

Increase in Number of Authorized Shares

On November 20, 2014, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of the State of Florida to increase the number of authorized shares of common stock. Because of the amendment, the number of the Company's authorized shares of common stock reduced to 10,000,000,000.
The Company has recently performed a one for 100 reverse stock split, effective July 25, 2016.

Note T: New Accounting Pronouncements

In February 2007, the FASB issued SFAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities--Including an Amendment of FASB Statement No. 115." The statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The management is currently evaluating the effect of this pronouncement on financial statements.

In September 2006, FASB issued SFAS 158 "Employers' Accounting for Defined Benefit Pension and Other Post-Retirement Plans - An Amendment of FASB Statements No. 87, 88, 106 and 132(r). This Statement improves financial reporting by requiring an employer to recognize the over-funded or under-funded status of a defined benefit postretirement pan (other than a multi-employer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for profit organization. This Statement also improves financial reporting by requiring an employer to measure the funded status of a plan as of the date of its year end statement of financial position, which limited exceptions. An employer with publicly traded equity securities is required to initially recognize the funded status of a defined benefit post retirement plan to provide the required disclosures as of the end of the fiscal year ending after December 15, 2006. An employer without publicly traded equity securities is required to recognize the funded status of a defined benefit post-retirement plan and to provide the required disclosures as of the fiscal year ending after September 15, 2007. However, an employer without publicly traded equity securities is required to disclose the following information in the notes to financial statements for a fiscal year ending after December 15, 2006, but before September 16, 2007, unless it has applied the recognition provisions of this statement in preparing those financial statements: A brief description of the provisions of this statement. The date the adoption is required. The date the employer plans to adopt the recognition provisions of this statement, if earlier. The requirement to measure plan assets and benefit obligations as of the date of the Employer's fiscal yearend statement of financial position is effective for fiscal years ending After December 15, 2008. The management is currently evaluating the effect of this Pronouncement on financial statements.

In September 2006, FASB issued SFAS 157 'Fair Value Measurements'. This Statement defines fair value, established a framework for measuring fair value in generally accepted accounting Principles (GAAP), and expands disclosures about fair value measurements. This statement applies under other accounting pronouncements that require or permit fair value measurements, the board having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this statement does not require any new fair value measurements. However, for some entities, the application of this Statement will change current practice. This statement is effective for financial statements Issued for fiscal years beginning after November 15, 2007 and interim periods within those Fiscal years. The management is currently evaluating the effect of this pronouncement on financial statements.

In March 2006 FASB issued SFAS 156 “Accounting for Servicing of Financial Assets” this statement amends FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, with respect to the accounting for separately recognized servicing assets and servicing liabilities. This statement:

1. Requires an entity to recognize a servicing asset or servicing liability each time it undertakes and obligation to service a financial asset by entering a servicing contract.

2. Requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable.

3. Permits an entity to choose 'amortization method' or fair value measurement method for each class of separately recognized servicing assets and servicing liabilities.

4. At its initial adoption, permits a one-time reclassification of available for sale securities to Trading securities by entities with recognized servicing rights, without calling into question The treatment of other available-for-sale securities under Statement 115, provided that the Available-for-sale securities are identified in some manner as offsetting the entity's exposure to changes in fair value of servicing assets or servicing liabilities that a servicer elects to subsequently measure at fair value.

5. Requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities. An entity should adopt this statement as of the beginning of its first fiscal year that begins After September 15, 2006. Management believes that this statement will not have a significant Impact on the financial statement.

In February 2006, FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments". SFAS No. 155 amends SFAS no 133, "Accounting for Derivative Instruments and Hedging Activities", and SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishers of Liabilities." SFAS No. 155, permits fair value premeasurement for any hybrid financial Instrument that contains an embedded derivative that otherwise would require bifurcation, clarifies which interest-only strips and principal-only strips are not subject to the requirements of SFAS No. 133, establishes a requirement to evaluate interest in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives, and amends SFAS No. 140 to eliminate the prohibition on the qualifying special purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This statement is directive for all financial Instruments acquired or issued after the beginning of the Company's first fiscal year that begins after September 15, 2006.

Note U: Supplemental Disclosure of Non-Cash Investing and Financing Activities.

The cash flow statements do not include the following non-cash and financing activities:

In 2005, the Company entered a settlement agreement for the payment of a note by authorizing the payment of $100,000 in cash and issuance of 1,500,000 restricted shares of the Company. The Company paid $43,500 in cash during the year. The Company valued the share based on the market value of the shares on agreement date. The shares been valued at $150,000 and total amount were paid.

Note V: Subsequent Events.

The Company has started to send out instructions for issuance of Class E Preferred stock to shareholders affected by reverse splits. Shareholders holding shares before the 2011 split have the right to receive additional stock equal to 20% of their pre-split shares each year for the years 2012, 2013, and 2014. They will receive Class E Preferred Shares at a value of $0.01. The minimum number of incentive shares to be received is by any one shareholder is 5,000 shares.