

**PROTEK CAPITAL, INC.**  
**OTCPK: PRPM**

Consolidated Financial Statements  
For the Six Months Ended July 31, 2015  
(Unaudited)

# PROTEK CAPITAL, INC.

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**ProTek Capital, Inc.**  
**BALANCE SHEET**  
**AS OF July 31, 2015**  
**(Unaudited)**

Current assets	
Cash & Cash Equivalents	(2)
Accounts Recievable	-
Other Current Assets	-
	<hr/>
Total Current Assets	(2)
	<hr/>
Other Assets	
Plant, Property, and Equipment	40,314
Notes Receivable	55,645
Goodwill, net of accumulated amortization	-
Total non-current assets	95,959
	<hr/>
Total Assets	95,957
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Current Liabilities	
Accounts Payable & Accrued Expenses	158,653
Loans Payable - Officer	56,870
Other Current Liabilities	425,260
Long-Term Debt, current portion	-
Total current liabilities	640,783
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Long Term Liabilities	
Long Term Debt	84,300
	<hr/>
Total Liabilities	725,083
	<hr/>
Stockholder's equity	
Common stock - \$.0001 par value.	
12,000,000,000 shares Authorized, with	
10,594,375,776 shares issued & outstanding as of	
July 31, 2015	1,059,438
Preferred Stock -\$1.00 par value. 810,000 issued	
and outstanding.	810,000
Additional paid-in capital	8,692,583
Adjustments to Equity	(897,034)
Comprehensive Gain/(Loss)	(50,758)
Accumulated (deficit)	(10,243,354)
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Total Stockholder's equity (Deficiency)	(629,126)
	<hr/>
Total Liabilities and StockHolder's Equity	95,957
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## ProTek Capital, Inc.

### STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED July 31, 2015 (Unaudited)

#### Ordinary Income/Expense

##### Income

Sales	0
Interest Income	<u>0</u>
Total Income	0

Cost of Goods Sold	<u>0</u>
Total Cost of Goods Sold	0

Gross Profit	<u>0</u>
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##### Expense

General & Administrative Expenses	<u>50,758</u>
Total Expenses	50,758

##### Other Income/Expense

Gain on sale of assets & liabilities	<u>0</u>
Total Expense	<u>50,758</u>

Net Ordinary Income	<u>(50,758)</u>
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Net (loss) Income	<u><u>(50,758)</u></u>
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**ProTek Capital, Inc.**

**Statement of Stockholders' Equity (Deficiency)  
FOR THE PERIOD ENDED July 31, 2015  
(Unaudited)**

	Common Stock		Preferred Stock		Additional Paid-In Capital	Retained Earnings	Adjustments to Equity	Profit (Loss)	Net Equity (Deficiency)
	Shares	Amount	Shares	Amount					
Balance January 31, 2015	<u>10,594,375,776</u>	<u>1,059,438</u>	<u>810,000</u>	<u>810,000</u>	<u>8,692,583</u>	<u>(10,025,040)</u>	<u>(897,034)</u>	<u>(218,314)</u>	<u>(578,367)</u>
Common Stock Issued									
Preferred Stock Issued									
Prior Period Adjustment									
Net Income/(Loss)								(20,716)	
Balance April 30, 2015	<u>10,594,375,776</u>	<u>1,059,438</u>	<u>810,000</u>	<u>810,000</u>	<u>8,692,583</u>	<u>(10,243,354)</u>	<u>(897,034)</u>	<u>(20,716)</u>	<u>(599,084)</u>
Common Stock Issued									
Preferred Stock Issued									
Prior Period Adjustment									
Net Income/(Loss)								(30,042)	
Balance July 31, 2015	<u>10,594,375,776</u>	<u>1,059,438</u>	<u>810,000</u>	<u>810,000</u>	<u>8,692,583</u>	<u>(10,243,354)</u>	<u>(897,034)</u>	<u>(50,758)</u>	<u>(629,126)</u>

# ProTek Capital, Inc.

## STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED July 31, 2015 (Unaudited)

	Feb.-July 2015
<b>OPERATING ACTIVITIES</b>	
Net Income	(50,758)
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts receivable	0
Other assets	0
Increase (Decrease) in Accrued Liabilities	50,000
Increase (Decrease) in Notes payable	235
Net cash provided by Operating Activities	(523)
<b>INVESTING ACTIVITIES</b>	
Notes Receivable	0
Net cash used by Investing Activities	0
<b>FINANCING ACTIVITIES</b>	
Net principal of debt extinguished	-
Net effect on transfer of Assets & Liabilities	-
Issuance of Capital Stock	0
Increase (Decrease) Due to Officer(s)	524
Increase (Decrease) Due to Noteholders	-
Net cash provided by Financing Activities	524
Net cash increase (decrease) for period	1
Cash at beginning of period	(3)
Cash at end of period	(2)

PROTEK, INC  
Notes to Unaudited Consolidated Financial Statements  
FOR THE SIX MONTHS ENDED July 31, 2015

**Note 1. Nature of Business**

Protek Inc. (formerly known as Propalms, Inc.) (The "Company"), formerly Jenna Lane, Inc. (Jenna Lane), was incorporated in 1995 under the laws of the State of Delaware. Propalms, Ltd was a UK registered company incorporated in October 2001 with a fiscal year end of January 31. On July 12, 2005 Propalms, Ltd purchased from Tarantella, Inc. a license and purchase option agreement for the worldwide intellectual property rights, including the entire customer base and all the ongoing maintenance revenue of a software product called Terminal Services Edition ("TSE"). Jenna Lane was a Delaware Corporation, incorporated in 1995. Jenna Lane was a non-operating company. On December 8, 2006, shareholders of Propalms, Ltd purchased 13,750,000 shares of Jenna Lane. On December 9, 2006, Jenna Lane entered into an agreement with all the shareholders of Propalms Ltd to exchange 230,000,000 shares of Jenna Lane for all the issued and outstanding stock of Propalms, Ltd. After the consummation of the agreement, the former shareholders of Propalms, Ltd. own 243,750,000 shares of common stock of Jenna Lane, which represent 89.35% of Jenna Lane's outstanding shares.

The exchange of shares with Propalms, Ltd has been accounted for as a reverse acquisition under the purchase method of accounting since the shareholders of Propalms, Ltd. obtained control of the consolidated entity. Accordingly, the merger of the two companies has been recorded as a recapitalization of Propalms, Ltd, with Propalms, Ltd being treated as the continuing entity. The historical financial statements presented are those of Propalms, Ltd. The continuing company has retained January 31 as its fiscal year end. The financial statements of the legal acquirer are not significant; therefore, no pro forma financial information is submitted.

The consolidated financial statements include the accounts of Protek Inc. (formerly known as Propalms, Inc.) and its wholly owned subsidiary, Propalms, Ltd. All significant intercompany accounts and transactions have been eliminated in consolidation. During December 2006 Jenna Lane increased its authorized common shares to 500,000,000 in order to acquire Propalms, Ltd. Jenna Lane moved from Delaware and was reincorporated in Nevada.

In March 2007 Jenna Lane, Inc. changed its name to Propalms USA, Inc. and its ticker symbol to PRPM.PK in order to better reflect the nature of the Company's business. As a result of this recapitalization and reorganization, the financial statements of the Company reflect the results of operations beginning on July 12, 2005 (since "Inception"). Further, on June 22, 2007 Propalms USA, Inc. changed its name to Propalms, Inc. to better reflect the Company's international sales and global presence.

In October 2008 Propalms, Inc. received from FINRA clearance to begin quotations on the OTC Bulletin Board, and its ticker symbol changed to PRPM.OB

Propalms Inc., through Propalms, Ltd., develops TSE, which offers users a systems-management product for the Microsoft server based computing (SBC) environment. TSE allows users to manage and operate all their software applications centrally on their servers rather than on each individual desktop computer. The Company markets and licenses its products through

multiple channels such as value-added resellers and channel distributors.

On July 1, 2009, Robert Zysblat was appointed as the President and CEO of the Company. On September 14, 2010, the Company sold off its subsidiary, Propalms Ltd., to the officers of the Company in exchange for 100,000,000 restricted shares of an OTCBB trading Company. The fair value of the shares on the date of the transaction was \$2,030,000. The excess of the purchase consideration over the net assets of the Company was recorded as a capital contribution from the officers as this was a transaction between related parties.

During the year ended January 31, 2011, Propalms, Inc. changed its name to PROTEK Capital, Inc. The company filed Articles of Amendment with the State of Nevada to increase its authorized common stock from 2,000,000,000 to 4,000,000,000 shares of Common Stock on April 18, 2011.

The Company signed an LOI in June of 2011 in which PROTEK Capital would exchange 100% of Preston Trail Contractors, Inc. (PTC) (a Texas Corporation) Common Stock for Preferred stock in PRPM which includes 55% majority voting rights and dilution protection.

On August 3, 2012, The Company was bought by Edward Vakser in a private transaction and he was named sole officer and Board member of the Company. All of the former officers and directors of the Company resigned. Mr. Vakser received all of the controlling shares (Preferred B) in the Company.

On November 30, 2012, the Company signed a letter of intent to acquire a hundred percent interest in Legal Clicks dot Com LLC. On December 13, 2012, the Company signed a letter of intent to acquire a hundred percent interest in Superstar Management Group, Inc. in exchange for \$350,000 in restricted shares of the Company.

## **Note 2. Summary of Significant Accounting Policies**

### **Basis of Presentation**

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The accompanying consolidated financial statements have been presented in United States Dollars (\$).

### **Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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.

### **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.



## **Accounts Receivable**

The Company's customer base consists of a geographically dispersed customer base. The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns.

To evaluate the adequacy of these reserves, reserves are recorded primarily on a specific identification basis.

## **Property and Equipment**

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred; additions, renewals and betterments are capitalized.

When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation is computed using straight-line method over the estimated useful lives of the assets.

## **Basic and Diluted Earnings Per Share**

Earnings per share are calculated in accordance with the Statement of Financial Accounting Standards No. 128 (SFAS No. 128), "Earnings per share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB15). Net income (loss) per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic net income (loss) per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. 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.

## **Stock-based compensation**

In December 2004, the FASB issued SFAS No. 123 (Revised 2004), "Share-Based Payment" ("SFAS 123R"), which requires the measurement of all employee share-based payments to employees, including grants of employee stock options, using a fair value based method and the recording of such expense in the consolidated statements of operations. In March 2005, the SEC issued Staff Accounting Bulletin No. 107 ("SAB 107") regarding the SEC's interpretation of SFAS 123R and the valuation of share-based payments for public companies. The Company adopted SFAS 123R and related FASB Staff Positions ("FSPs") as of February 1, 2006 and recognized stock-based compensation expense using the modified prospective method.

## **Going Concern**

The accompanying consolidated financial statements have been prepared on a going concern

basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company's accumulated deficit was \$ 10,294,112 as of July 31, 2015. If the Company is unable to generate profits and is unable to continue to obtain financing for its working capital requirements, it may have to curtail its business sharply or cease business altogether.

The Company has taken certain restructuring steps that it believes will provide the necessary capital to continue its operations.

These steps included, but were not limited to: 1) focus on sales to minimize the need for capital at this stage; 2) financial restructuring by converting part of the outstanding accounts payable to equity; 3) raising equity financing; 4) continuous focus on reductions in cost where possible.

### **Recent Accounting Pronouncements**

In July 2010, the FASB issued an accounting update to provide guidance to enhance disclosures related to the credit quality of a company's financing receivables portfolio and the associated allowance for credit losses. Pursuant to this accounting update, a company is required to provide a greater level of disaggregated information about its allowance for credit loss with the objective of facilitating users' evaluation of the nature of credit risk inherent in the company's portfolio of financing receivables, how that risk is analyzed and assessed in arriving at the allowance for credit losses, and the changes and reasons for those changes in the allowance for credit losses. The Company is continuing to evaluate the impact of this accounting update on its financial disclosures.

In December 2010, the FASB issued amended guidance related to Business Combinations. The amendments affect any public entity that enters into business combinations that are material on an individual or aggregate basis. The amendments specify that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendments also expand the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. The amendments are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. Early adoption is permitted. The Company will assess the impact of these amendments on its consolidated financial statements if and when an acquisition occurs.

In December 2010, the FASB issued amended guidance related to intangibles — goodwill and other. The amendments modify Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts.

For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that impairment may exist. The qualitative factors are consistent with the existing guidance and examples, which require that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. For public entities, the amendments are effective for fiscal years, and interim periods

within those years, beginning after December 15, 2010. Early adoption is not permitted. The Company does not believe that this guidance will have a material impact on its consolidated financial statements.

The FASB has issued amended guidance for subsequent events. The amendment removes the requirement for an SEC filer to disclose a date through which subsequent events have been evaluated in both issued and revised financial statements. Revised financial statements include financial statements revised as a result of either correction of an error or retrospective application of U.S. GAAP. The FASB also clarified that if the financial statements have been revised, then an entity that is not an SEC filer should disclose both the date that the financial statements were issued or available to be issued and the date the revised financial statements were issued or available to be issued. The FASB believes these amendments remove potential conflicts with the SEC's literature. All of the amendments were effective upon issuance (February 24, 2010). The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

### **Note 3. Other Current Liabilities, Accounts Payable and Accrued Expenses**

As of July 31, 2015 comprised of the following:

Trade creditors \$ 158,653

Loans Payable to Officer(s) \$ 56,870

Accrued Salaries \$ 270,000

Trade Notes Payable \$ 155,260

### **Note 4. Stockholders Deficit**

Convertible Series B Preferred Stock

The Company has 10,000 authorized preferred series B convertible shares with 10,000 shares outstanding as of July 31, 2015.

Convertible Series C Preferred Stock

The Company has 1,000,000 authorized convertible series C preferred shares with 800,000 shares outstanding as of July 31, 2015. Each preferred share is convertible into 1,000 common restricted shares.

Common stock

The Company has 12,000,000,000 authorized common shares with 10,594,375,776 shares outstanding as of July 31, 2015.

### **Note 5. Loans Payable**

As of July 31, 2015, the Company had payables of \$56,870 to officers of the Company for loans raised for working capital. These loans are non-interest bearing, unsecured and due on demand.