

## **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

### **ProTek Capital, Inc.**

1712 Pioneer Ave  
Cheyenne, WY 82001

---

214-418-6940

www.protekcapital.com

ev24903@gmail.com

100

## **Annual Report**

For the period ending January 31, 2023 (the "Reporting Period")

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

10,821,252,428 as of January 31, 2023

10,821,252,428 as of January 31, 2022

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

---

<sup>1</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the

Yes: ☐ No: ☒

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

ProTek Capital, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

ProTek Capital, Inc. was incorporated in Nevada in 2006. It Redomiciled in Wyoming in 2006.

Status: Active

Sub Status: Current

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

1712 Pioneer Ave. Cheyenne, WY 82001

The address(es) of the issuer's principal place of business:

☐ *Check if principal executive office and principal place of business are the same address:*

2504 Northcrest Dr. Plano, TX 75075

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

**2) Security Information**

**Transfer Agent**

---

surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Name: Pacific Stock Transfer Co.  
Phone: 800-785-7782  
Email: info@pacificstocktransfer.com  
Address: 6725 Via Austi Parkway – Suite 300  
Las Vegas, NV 89119

### **Publicly Quoted or Traded Securities:**

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol:	PRPM	
Exact title and class of securities outstanding:	COMMON STOCK	
CUSIP:	743 70A 104	
Par or stated value:	.0001	
Total shares authorized:	16,000,000,000	as of date: 01/31/2023
Total shares outstanding:	10,821,252,428	as of date: 01/31/2023
Total number of shareholders of record:	87	as of date: 01/31/2023

### **Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

**1. For common equity, describe any dividend, voting and preemption rights.**

No special rights, and no dividend.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

The Super preferred 1K share is held by the board with voting rights only, and no conversion or liquidation rights.

**3. Describe any other material rights of common or preferred stockholders.**

Standard rule 144 and 1933, 1934 SEC act.

**4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date _____ Common: Preferred:			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
Shares Outstanding on Date of This Report: <u>Ending Balance</u> Date _____ Common: Preferred:									

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: ☒ Yes: ☐ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. <small>*You must disclose the control person(s) for any entities listed.</small>	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

## 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.  
(Please ensure that these descriptions are updated on the Company's Profile on [www.otcmarkets.com](http://www.otcmarkets.com)).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The company rents a studio where the managements operates as a corporate office, content production and development, and render farm and crypto currencies mining operation.

B. List any subsidiaries, parent company, or affiliated companies.

The company owns ., and is affiliated with Black Dragon Inc. (BDGR) and Legacy Art Group LLC.

C. Describe the issuers' principal products or services.

Black Dragon Inc., is involved in several multi-faceted development deals, including oil and gas deals both in the US and outside the US. The tokens Black Dracos, (BDGR) are developed and ready to be issued as a dividend for the shareholders. The art NFT's are being offered for sale as the company is expanding the art editions and inventories.

## 5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The company shares a studio facility with several other affiliated companies in order to achieve economy of scales and cost savings for the overhead and operations. The facility, approximately 4,000 square feet in a video/audio and recording studios facility converted from a residence.

## 6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>Edward Vakser</u>	<u>CEO</u>	<u>Plano, TX</u>	<u>1</u>	<u>Super K</u>	<u>69%</u>	<u>      </u>

## 7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

N/A

## 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Eric Newlan  
Company: Newlan & Newlan LTD.,  
Address 1: 800 Parker Square Dr., suite 205  
Flower Mound, TX 75028  
Phone: 940-367-6154  
Email: [eric@newlan.com](mailto:eric@newlan.com)

## 9) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☐ IFRS
- ☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)<sup>2</sup>:

Name: **Edward Vakser**

Title: Chairman, CEO, Chief Investor Relations Officer

Relationship to Issuer: Chairman, CEO, Chief Investor Relations Officer

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

---

<sup>2</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.



Balance Sheet  
For the period ending January 31, 2023  
(Unaudited)

	January 31, 2023
ASSETS	
Current Assets	
<b>Checking/Savings</b>	0
<b>Accounts Receivable</b>	0
<b>Investment in related Parties</b>	0
<b>Prepaid Expenses</b>	0
<b>Trade Notes Receivable</b>	0
Total Current Assets	0
Fixed Assets	
<b>Furniture and Equipment</b>	0
Total Fixed Assets	0
TOTAL ASSETS	<u>0</u>
LIABILITIES AND SHAREHOLDER EQUITY	
Current Liabilities	
<b>Accounts Payable (Trade)</b>	0
<b>Accrued Expenses</b>	0
<b>Accrued Salaries and Wages</b>	0
<b>Convertible Notes Payable</b>	0
<b>Due to Related Party</b>	
<b>Judgement</b>	
<b>Notes Payable</b>	
Total Current Liabilities	0
Long Term Liabilities	
<b>Notes Payable – Related party – long term</b>	0
TOTAL LIABILITIES	<u>0</u>
SHAREHOLDERS' EQUITY	
<b>Additional Paid-in Capital</b>	0
<b>Adjustments to Equity</b>	0
<b>Accumulated Deficit</b>	0
<b>Net Income</b>	0
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>0</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>0</u>

Statement of Income  
For the period ending January 31, 2023  
(Unaudited)

	January 31, 2022	January 31, 2023
Ordinary Income/Expense	0	0
<b>Income</b>	0	0
Revenue	0	0
Interest	0	0
Debt Forgiveness	0	0
<b>Total Income</b>	0	0
Cost of Goods sold (COGS)	0	0
Total COGS	0	0
Gross Profit	0	0
Expense	0	0
General and Administrative	0	0
Legal, Consulting, and Professional Fees	0	0
Salaries and Wages	0	0
Total Expense	0	0
Net Ordinary Income	0	0
Other Income/Expense	0	0
Other Income	0	0
Rebates	0	0
Total Other Income	0	0
Other Expense	0	0
Interest Expense	0	0
Interest Expense from beneficial conversion feature	0	0
Total Other Expense	0	0
Net Other Income	0	0
Net Income	<b>\$ 0</b>	<b>\$ 0</b>

**Statement of Cash Flows**  
For the Period Ending January 31, 2023  
(Unaudited)

	January 31, 2023
Operating Activities	0
<b>Net Income</b>	0
<b>Adjustments to reconcile Net Income to Net cash provided by operations</b>	
<b>Notes Receivable</b>	0
<b>Prepaid Expense</b>	0
<b>Trade Notes Receivable</b>	0
Net Cash Provided by Operating Activities	0
Investing Activities	
<b>Investment in related Parties</b>	0
Net Cash Provided by Investing Activities	0
Financing Activities	
<b>Proceeds from Notes Payable</b>	0
Net Cash Provided in Financing Activities	0
Net Cash for Period	\$ 0
Cash at the beginning of Period	\$ 0
Cash at End of Period	\$ 0

**Statement of Change in Shareholder Equity** for the  
Period Ending January 31, 2023 (Unaudited)

	Class C Preferred	Class D Preferred	Class E Preferred	Common Stock	Additional Paid in Capital	Adjustments	Retained	Profit	Total
Balance as of Jan. 31, 2022	0	0	0	10,821,252,428	0	0	0	0	0
Issuances of Common Stock	0	0	0	0	0	0	0	0	0
Net Income for the Period	0	0	0	0	0	0	0	0	0
<b>Balance as of Jan. 31, 2023</b>	0	0	0	10,821,252,428	0	0	0	0	0

## **Notes on Financial Statements**

### **Note 1. Nature of Business**

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 world-wide 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. owned 243,750,000 shares of common stock of Jenna Lane, which represented 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 the 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 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 to be incorporated in Nevada. In March 2007 Jenna Lane, Inc. changed its name to Propalms USA, Inc. On June 22, 2007 Propalms USA, Inc. changed its name to Propalms, Inc.

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.

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

#### **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.

#### **Principles of Consolidation**

The consolidated financial statements include the accounts of Propalms, Inc. and its wholly owned subsidiary Propalms, Ltd, collectively referred to herein as the Company. All material inter-company accounts and transactions have been eliminated in consolidation.

## **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 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, which is four years. Depreciation expense was \$8,688 and \$5,417 for the years ended January 31, 2009 and 2008, respectively.

The Company accounts for the costs of computer software developed or obtained for internal use in accordance with Statement of Position 98- , "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The Company capitalizes costs of materials, consultants, and payroll and payroll related costs for employees incurred in developing internal use computer software. These costs are included with "Computer equipment and software." Costs incurred during the preliminary project and post implementation stages are charged to general and administrative expense.

## **Intangible Assets**

Intangible assets consist of product licenses, renewals, distributor relationships and goodwill. The Company evaluates intangible assets, goodwill and other long-lived assets for impairment, at least on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable from its estimated future cash flows. Recoverability of intangible assets, other long-lived assets and, goodwill is measured by comparing their net book value to the related projected undiscounted cash flows from these assets, considering a number of factors including past operating results, budgets, economic projections, market trends and product development cycles. If the net book value of the asset exceeds the related undiscounted cash flows, the asset is considered impaired, and a second test is performed to measure the amount of impairment loss. Potential impairment of goodwill is being evaluated in accordance with SFAS No. 142. As part of intangible assets, the Company capitalizes certain computer software development costs in accordance with SFAS No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed." Costs incurred internally to create a computer software product or to develop an enhancement to an existing product are charged to expense when incurred as research and development expense until technological feasibility for the respective product is established. Thereafter, all software development costs are capitalized and reported at the lower of unamortized cost or net realizable value. Capitalization ceases when the product or enhancement is available for general release to customers.

The Company makes on-going evaluations of the recoverability of its capitalized software projects by comparing the amount capitalized for each product to the estimated net realizable value of the product. If such evaluations indicate

that the unamortized software development costs exceed the net realizable value, the Company writes off the amount which the unamortized software development costs exceed net realizable value. Capitalized and purchased computer software development costs are being amortized ratably based on the projected revenue associated with the related software or on a straight-line basis over three years, whichever method results in a higher level of amortization.

### **Revenue Recognition**

The Company recognizes its revenue in accordance with the Securities and Exchange Commissions ("SEC") Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB 104") and The American Institute of Certified Public Accountants ("AICPA") Statement of Position ("SOP") 97-2, "Software Revenue Recognition," as amended by SOP 98-4 and SOP 98-9, SOP 81-1, "Accounting for Performance of Construction-Type and Certain Production-Type Contracts," and Accounting Research Bulletin 45 (ARB 45) "Long-Term Construction Type Contracts." The Company's revenue recognition policy is as follows: License Revenue: The Company recognizes revenue from license contracts without major customization when a non-cancelable, non-contingent license agreement has been signed, delivery of the software has occurred, the fee is fixed or determinable, and collectability is probable. Revenue from the sale of licenses with major customization, modification, and development is recognized on a percentage of completion method, in conformity with ARB 45 and SOP 81-1. Revenue from the implementation of software is recognized on a percentage of completion method, in conformity with Accounting Research Bulletin ("ARB") No. 45 and SOP 81-1. Any revenues from software arrangements with multiple elements are allocated to each element of the arrangement based on the relative fair values using vendor specific objective evidence as defined in the SOPs. An output measure of "Unit of Work Completed" is used to determine the percentage of completion which measures the results achieved at a specific date. Units completed are certified by the Project Manager and EVP IT/ Operations.

Services Revenue: Revenue from consulting services is recognized as the services are performed for time and materials contracts. Revenue from training and development services is recognized as the services are performed. Revenue from maintenance agreements is recognized ratably over the term of the maintenance agreement, which in most instances is one to two years.

The Company markets and licenses its products, TSE, primarily through indirect channels such as value-added resellers and channel distributors. The product license is perpetual and includes either one to two years of maintenance. Maintenance includes enhancements and unspecified software upgrades.

### **Fair Value**

Statement of financial accounting standard No. 107, Disclosures about fair value of financial instruments, requires that the Company disclose estimated fair values of financial instruments. The carrying amounts reported in the statements of financial position for assets and liabilities qualifying as financial instruments are a reasonable estimate of fair value.

### **Advertising Costs**

The Company expenses the cost of advertising as incurred. Advertising costs for the years ended January 31, 2009 and 2008 were insignificant.

### **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 (APB 15). 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. Basic and diluted loss per share were \$0.01 and \$0.01 for the years ended January 31, 2009 and 2008 respectively.

### **Product Concentration**

The Company derives substantially all of its revenues from its TSE server product and anticipates that this product and future derivative products and product lines based upon this technology will continue to constitute a majority of its revenues. The Company could experience declines in demand for this product, whether as a result of general economic conditions, new competitive product releases, price competition, lack of success of its strategic partners, technological changes or other factors. The total revenue generated during the years ended January 31, 2009 and 2008 from the product was \$882,119 and \$1,076,715, respectively.

### **Cost of Revenues**

Cost of revenues consists primarily of fees paid to outside firms to perform software support tasks, amortization of acquired product technology and capitalized software development costs, and other personnel related costs of providing technical support and consulting, as well as, the Company's online services.

### **Foreign Currency & Operations**

The functional currency was the Great Britain Pound for the year ended January 31, 2009. The January 31, 2009 financial statements of the Company were translated to United States dollars using year-end exchange rates as to assets and liabilities and average exchange rates as to revenues and expenses. Capital accounts were translated at their historical exchange rates when the capital transactions occurred. Net gains and losses resulting from translation of foreign currency financial statements are included in the statements of stockholder's deficit as other comprehensive income or (loss). Foreign currency transaction gains and losses are included in consolidated income (loss).

### **Income Taxes**

The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standards No. 109 ("SFAS 109"). Under SFAS 109, deferred income tax assets or liabilities are computed based on the temporary difference between the financial statement and income tax bases of assets and liabilities using the currently enacted marginal income tax rate. Deferred income tax expenses or credits are based on the changes in the deferred income tax assets or liabilities from period to period. Deferred tax assets may be recognized for temporary differences that will result in deductible amounts in future periods and for loss carry forwards. A valuation allowance is established if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized.

### **United Kingdom**

As of January 31, 2009, and 2008, the Company's UK subsidiary had net operating loss carry forwards which can be carried forward indefinitely to offset future taxable income. The deferred tax assets for the subsidiary at January 31, 2009 consists mainly of net operating loss carry forwards and were fully reserved as the management believes it is more likely than not that these assets will not be realized in the future.

### **United States of America**

The Company has significant income tax net operating losses carried forward from prior years. Due to the uncertainty of the realizability of the related deferred tax assets of \$6,295,466, a reserve equal to the amount of deferred income taxes

has been established at December 31, 2008. The Company has provided 100% valuation allowance to the deferred tax assets as of January 31, 2009.

### **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 Company's functional currency is the Great Britain Pound (GBP); however, the accompanying consolidated financial statements have been translated and presented in United States Dollars (\$).

### **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 has adopted SFAS 123R and related FASB Staff Positions ("FSPs") as of January 1, 2006 and will recognize 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. As shown in the consolidated financial statements, during the years ended January 31, 2009 and 2008, the Company incurred net losses of \$3,272,441 and \$2,469,599, respectively. In addition, the Company had negative cash flow in operating activities amounting to \$423,183 and \$448,036, respectively for the periods then ended. The Company's accumulated deficit was \$8,175,995 as of January 31, 2009. 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 to provide the necessary capital to continue its operations. These steps included, but are not limited to: 1) focus on sales to minimize capital needs; 2) financial restructuring by converting part of the outstanding accounts payable to equity; 3) raising equity financing; 4) continuous focus on reductions in costs where possible.

### **Recent Accounting Pronouncements:**

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, Fair Value Measurements ("SFAS 157"), which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. SFAS 157 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. SFAS 157 is effective for the Company beginning in the first quarter of 2008. In February 2008, the FASB released a FASB Staff Position (FSP FAS 157-2--Effective Date of FASB Statement No. 157) which delays the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008. Adoption of SFAS No. 157 did not affect the Company consolidated financial condition, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations". This Statement replaces SFAS No. 141, Business Combinations. This Statement retains the fundamental requirements in Statement 141 that the acquisition



method of accounting (which Statement 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. This Statement also establishes principles and requirements for how the acquirer: a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree; b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase and c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS No. 141(R) will apply prospectively to business combinations for which the acquisition date is on or after Company's fiscal year beginning October 1, 2009. While the Company has not yet evaluated this statement for the impact, if any, that SFAS No. 141(R) will have on its consolidated financial statements, the Company will be required to expense costs related to any acquisitions after September 30, 2009.

In December 2007, the FASB issued SFAS No. 160, "Non-controlling Interests in Consolidated Financial Statements". This Statement amends ARB 51 to establish accounting and reporting standards for the non-controlling (minority) interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS No. 160 is effective for the Company's fiscal year beginning October 1, 2009. Management is currently evaluating the effect of this pronouncement on financial statements.

In March 2008, the FASB issued FASB Statement No. 161, Disclosures about Derivative Instruments and Hedging Activities. The new standard is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. It is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The new standard also improves transparency about the location and amounts of derivative instruments in an entity's financial statements; how derivative instruments and related hedged items are accounted for under Statement 133; and how derivative instruments and related hedged items affect its financial position, financial performance, and cash flows. Management is currently evaluating the effect of this pronouncement on financial statements.

In May of 2008, FASB issued SFASB No. 162, The Hierarchy of Generally Accepted Accounting Principles. The pronouncement mandates the GAAP hierarchy reside in the accounting literature as opposed to the audit literature. This has the practical impact of elevating FASB Statements of Financial Accounting Concepts in the GAAP hierarchy. This pronouncement will become effective 60 days following SEC approval. The company does not believe this pronouncement will impact its financial statements.

In May of 2008, FASB issued SFASB No. 163, Accounting for Financial Guarantee Insurance Contracts-an interpretation of FASB Statement No. 60. The scope of the statement is limited to financial guarantee insurance (and reinsurance) contracts. The pronouncement is effective for fiscal years beginning after December 31, 2008. The Company does not believe this pronouncement will impact its financial statements.

### **Reclassifications**

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 presentation.

### **Note 3. Intangible Assets**

Intangible assets consist of acquired developed software technology, acquired customer relationship, and capitalized software development costs.

The developed software technology and software development costs are being amortized to cost of revenues. The value of the customer relationships is being amortized to Sales and Marketing expense. The amortization for the years ended January 31, 2009 and 2008 amounted to \$195,103 and \$246,620, respectively.

#### **Note 4. Debt**

To finance the acquisition of the assets and liabilities related to the TSE server product in July 2005, the Company made an initial cash payment of \$100,000 and agreed to make payments to the seller over a scheduled 30-month period, for a total of \$900,000. The agreement calls for quarterly payments of \$50,000, with the initial payment due October 2005, until December 2007, at which time the remaining balance was due and payable. The note is non-interest bearing. In recording this liability, the Company imputed approximately \$135,000 of interest using a rate of 8%. At December 31, 2007, the parties extended the length of the agreement and left the quarterly payment obligation of \$50,000 unchanged.

At January 31, 2009, the note is in default and the remaining obligation owed to the seller was \$760,000. The Company has also accrued interest on this note and included it in the accrued liabilities in the accompanying financials. This note has been presented as a current liability in the accompanying balance sheet.

On July 10, 2006 the Company received a working capital loan financing from HSBC Plc. Interest is charged on a monthly basis and repayments of principal and interest are made monthly. The total principal outstanding at January 31, 2009 was \$95,437. The loan is repayable over a ten-year period beginning three months from July 2006 in fixed monthly installments of \$3,436 per month inclusive of interest. \$41,232 of the balance is presented as a current liability and \$54,205 is presented as a long-term liability in the accompanying financial statements. Interest is at 2.2% margin over the bank's base rate.

#### **Note 5. Loans from Shareholders**

As part of the Company's July 2005 reorganization and recapitalization discussed in Note 1, the Company's CEO and CFO each loaned to Propalms, Ltd. \$53,205 as a down payment on the TSE acquisition price. These notes are unsecured, non-interest-bearing and due on demand or upon certain events that would effect a change in control of the Company. Further advances were made to the Company during the year ended January 31, 2007. As of January 31, 2008, the balance owed to shareholders amounted to \$74,806. As of January 31, 2009, the entire balance had been repaid to the shareholders.

#### **Note 6. Deferred Revenue**

The Company recognizes as deferred revenue, payments received before all relevant criteria for revenue recognition are satisfied. The Company renders maintenance services which often extend over a period of more than one year and the revenue pertaining to the period after one year is presented as long-term liability. As of January 31, 2008, the current portion of deferred revenue amounted to \$94,432 and the long-term portion amounted to \$537,324. As of January 31, 2009, the current portion of deferred revenue amounted to \$46,470 and the long-term portion amounted to \$459,899.

#### **Note 7. Shares to be Issued**

During the year ended January 31, 2007, the Company entered into an agreement with an investor relations firm to provide services for a period of two years. The fees for the services were determined to be \$37,500 per month or 1,500,000 shares per month. The Company agreed to issue the investor relations firm 18,000,000 shares as its fee for the year, pursuant to the agreement. As of January 31, 2008, they were recorded as shares to be issued. The shares were issued during the year ended January 31, 2009. These shares were valued at the fair market value of \$990,000 pursuant to EITF 96-18.

## **Note 8. Stockholders' Deficit**

During the year ended January 31, 2009, the Company issued 4,700,000 shares to an independent outside contractor. These shares were valued at the fair market value of \$188,000, pursuant to EITF 96-18.

During the year ended January 31, 2009, the Company raised \$485,626 cash, net of finders' fee, by issuing 41,813,146 shares. The shares were issued out of the escrow account maintained by the investor relations firm.

The Company issued 81,090,560 shares during the year ended January 31, 2009 for the part payment of accrued compensation of the President & CEO of the Company. These shares were valued at the fair market value of \$561,951, pursuant to EITF 96-18.

The Company agreed to issue the investor relations firm 18,000,000 shares as its fee for the year ended January 31, 2007, pursuant to the agreement. As of January 31, 2008, they were recorded as shares to be issued. The shares were issued during the year ended January 31, 2009. These shares were valued at the fair market value of \$990,000 pursuant to EITF 96-18.

The Company agreed to issue the investor relations firm 5,000,000 shares as prepaid fee for the period from January 1, 2009 to May 31, 2009. The Company terminated the agreement with the firm in February 2009 and the whole amount was expensed to consulting services for the year. These shares were valued at the fair market value of \$100,000 pursuant to EITF 96-18.

The Company also issued the investor relations firm 18,406,559 shares as fee for the year ended January 31, 2009. The Company terminated the agreement with the firm in February 2009 and the whole amount was expensed to consulting services for the year. These shares were valued at the fair market value of \$165,659 pursuant to EITF 96-18.

## **Note 9. Stock Options**

During the year ended January 31, 2008, the Company granted ten million options each to the CEO and President as part of the Equity Compensation Plan. The options have an exercise price of \$0.05 and will expire on January 11, 2018. The options vest over a five-year period at the rate of 2 million options at the end of each year. The options were valued at \$1,380,000 on the date of grant pursuant to the black scholes option pricing model. The expense for the options is being recorded pursuant to SFAS 123R. During the year ended January 31, 2009, the Company recorded expense of \$276,000. During the year ended January 31, 2009, 500,000 options were exercised @0.07 per share.

## **Note 10. Related Party transactions**

The Company has contracted certain development activity with India based Aloha Technologies, a related party. Mr. Nakul Sood is the Managing Director of Aloha Technologies as well as a Director of the Company. All development work is performed by Aloha Technologies on a work for hire basis and the Company owns all rights title and interest in any work developed by Aloha Technologies. During the year ended January 31, 2009, the Company contracted services worth \$292,185. As of January 31, 2009, the payable amounted to \$184,116.

The Company has executive agreements with each of the President and the CEO of the Company for an annual salary of \$65,000 per annum. From October 27, 2008, the salary was increased to \$120,000 per annum as the Company became registered on the Bulletin Board. These agreements can be cancelled when the executives reach the age of 65 years or after giving six (6) months' notice.

On August 1, 2008 the Company extended the executive agreement with each of the President and the CEO for a period of three years. The purpose was to provide a commitment and long-term stability to the growth of the Company.

The Company agreed to pay the President and the CEO the sum of \$400,000 each for this extension. The President and CEO have agreed to accept this payment in either cash or restricted stock. The company issued 81,090,560 free trading shares during the year ended January 31, 2009 for the part payment of accrued compensation of the President & CEO of the Company. These shares were valued at the fair market value of \$561,951, pursuant to EITF 96-18.

**Note 11. Commitments and Contingencies**

At January 31, 2009 there were no material commitments or contingencies. The Company leases office space in the United Kingdom on a three-year lease. This lease is accounted for as an operating lease. Rental expense for this lease consisted of approximately \$26,104 for the year ended January 31, 2009. The rent commitment for the three years ended January 31 is as follows:

2010	\$ 6,682
2011	29,850
2012	29,850

The Company also has executive agreements with each of the President and CEO of the Company for an annual salary of \$65,000 per annum. These agreements can be canceled when the executives reach the age of 65 years or after giving six (6) months' notice.

## 10) Issuer Certification

### *Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Edward Vakser certify that:

1. I have reviewed this annual disclosure statement of ProTek Capital, 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.

03/26/2023

/s/ Edward Vakser

Edward Vakser

Chairman, CEO, Chief Investor Relations Officer