SPO GLOBAL INC.
CONSOLIDATED BALANCE SHEETS

	September 30, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 21,568	$ 141,637
Accounts receivable	34,859	14,101
Prepaid expenses and other accounts receivable	6,015	14,864
Total current assets	62,442	170,602
Total assets	$ 62,442	$ 170,602
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities		
Convertible notes payable	$ 1,421,340	$ 1,558,949
Derivative liability	498,770	-
Accounts payable	194,342	247,075
Loans payable	65,549	5,000
Accrued expenses and other liabilities	56,367	44,466
Total current liabilities	2,236,368	1,855,490
Long-Term Liabilities		
Convertible note payable	-	63,474
Derivative liability	-	108,283
Notes payable	275,856	313,952
Total liabilities	2,512,224	2,341,199
COMMITMENTS AND CONTINGENT LIABILITIES		
STOCKHOLDERS' DEFICIENCY		
Preferred stock $0.01 par value Authorized - 2,000,000 shares, issued and outstanding - 100 Series A shares, 17,500 and 0 Series B shares, respectively	175	1
Common stock $0.01 par value- Authorized - 298,000,000 shares, issued and outstanding - 730,938,309 and 56,001,116 shares, respectively	7,309,383	560,011
Additional paid-in capital	29,660	507
Accumulated other comprehensive income	96,580	8,760
Accumulated deficit	(9,813,742)	(2,675,871)
Total stockholders' deficiency	(2,377,944)	(2,106,592)
Non-controlling interest	(71,838)	(64,005)
Total deficiency	(2,449,782)	(2,170,597)
Total liabilities and stockholders' deficiency	$ 62,442	$ 170,602

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

SPO GLOBAL INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Revenues	$ 14,166	$ 23,440	$ 95,685	$ 266,911
Cost of revenues	-	-	-	-
Gross profit	14,166	23,440	95,685	266,911
Operating expenses				
Research and development	11,099	49,935	87,406	148,559
Selling and marketing	4,241	20,555	10,439	28,436
General and administrative	74,292	113,184	198,645	305,466
Total operating expenses	89,632	183,674	296,490	482,461
Operating loss	(75,466)	(160,234)	(200,805)	(215,550)
Other income	-	9	-	1,563
Financial expenses	(5,089,188)	(3,807)	(6,947,057)	(24,945)
Net loss	$ (5,164,654)	$ (164,032)	$ (7,147,862)	$ (238,932)
Net loss attributable to non-controlling interests	(4,184)	(2,110)	(7,964)	(14,479)
Net loss attributable to common stockholders	(5,160,470)	(161,922)	(7,139,898)	(224,453)
Basic and diluted loss per share	$ (0.01)	$ (0.00)	$ (0.03)	$ (0.00)
Weighted average number of shares outstanding used in computation of basic loss per share	538,577,214	47,651,748	247,624,284	47,569,715
Other comprehensive income (loss):				
Foreign currency translation differences	$ 104,009	$ -	$ 87,820	$ -
Total comprehensive loss	$ (5,060,645)	$ (164,032)	$ (7,060,042)	$ (238,932)

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

SPO GLOBAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Nine Months ended September 30, 2016
Cash Flows from Operating Activities		
Net Loss for the period	$	(7,147,862)
Adjustments to reconcile loss to net cash provided by (used in) operating activities:		
Non-cash expense related to shares issued for services		22,260
Non-cash expenses related to derivative liability		390,487
Non-cash expense related to shares issued for financing		6,556,339
Changes in assets and liabilities:		
Accounts receivable		(20,758)
Prepaid expenses and other receivables		8,849
Accounts payable		(52,733)
Accrued expenses and other liabilities		48,594
Net cash used by operating activities		(194,824)
Cash Flows from Financing Activities		
Proceeds from sale of preferred B shares		17,500
Proceeds from loans		93,575
Repayment of loan		(105,060)
Net cash provided by financing activities		6,015
Decrease in cash and cash equivalents		(188,809)
Effect of exchange rate changes		68,740
Cash and cash equivalents at the beginning of the period		141,637
Cash and cash equivalents at the end of the period	$	21,568
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Interest	$	3,781
Taxes	$	-

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

SPO GLOBAL INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL

S.P.O. (SOFTWARE PERFORMANCE OPTIMIZATION) GLOBAL INC, and subsidiaries is a company that is focused on acquiring performance optimization software IP for all enterprise applications. The focus of SPO is to acquire unique software companies that own outright valuable IP with a proven verifiable customer base.

The Company is incorporated under the laws of the State of Delaware.

On the 23rd of December, 2015 SPO GLOBAL, INC. (OTC:SPOM) executed a Stock Exchange Agreement (Merger) for the purchase of a 93.94% interest in the UK company, Reflective Solutions Ltd. ("Reflective"), a performance software testing company . Under the SEA, the selling shareholders of Reflective received 1433 shares of SPO restricted common stock for every 1 share held, for a total issuance by SPO of 46,980,905 restrictive common shares.

The Merger is accounted for as a reverse-merger and recapitalization. Reflective is the acquirer for financial reporting purposes and SPO is the acquired company. Consequently, the assets and liabilities and the operations that are reflected in the historical financial statements prior to the Merger are those of Reflective and are recorded at the historical cost basis of Reflective, and the consolidated financial statements after completion of the Merger include the assets, liabilities and operations of SPO and Reflective, from the closing date of the Merger. Therefore, the historical equity accounts of Reflective including par value per share, share and per share numbers included in the 2014 financial statements, have been adjusted to reflect the number of shares received in the Merger.

On the 31st December 2015, SPO Global entered into a Purchase Agreement with Elepho, Inc., a DE company, owned by Michael Braunhold, the Company's former CEO and President, to sell its remaining interests in SPO Medical Equipment, LTD. The Company had previously entered into a Settlement Agreement with Mr. Braunhold, wherein the Company granted him a perpetual, exclusive, license to the IP and SPO technology held by SPO Medical Ltd, in exchange for, among other things, his release of all sums owed to him by the Company.

NOTE 2 GOING CONCERN

As reflected in the accompanying financial statements, the Company's operations for the period ended September 30, 2016, resulted in a net loss of $7,147,862 and the Company's balance sheet reflects a net stockholders' deficit of $2,377,944. The Company's ability to continue operating as a "going concern" is dependent on its ability to increase revenues and raise sufficient additional working capital. These matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, which contemplates realization of assets and liquidation of liabilities in the ordinary course of business. The Company plans to raise additional capital as needed. There can be no assurance that this capital will be available and if it is not, the Company may be forced to substantially curtail or cease operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The consolidated financial statements include the accounts of SPO and its subsidiaries.

SPO Global Inc. owns 93.94% of Reflective Solutions Ltd. (a U.K. corporation). Reflective Solutions Ltd. owns 100% of Reflective Solutions Inc. (a U.S. corporation) and 100% of Reflective Solutions Bulgaria Ltd. (a Bulgarian corporation)

All material inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Financial Statements in U.S. dollars:

The reporting currency of the Company is the U.S. dollar ("dollar"). The dollar is the functional currency of the Company and the Company's U.S. subsidiary.

The primary economic environment in which the operations of the Company's British subsidiary are conducted is the GBP and thus its functional currency.

The primary economic environment in which the operations of the Company's Bulgarian subsidiary are conducted is the BGN and thus its functional currency.

The financial statements of the non-U.S. subsidiaries are translated to U.S. dollars using the mothods mandated by ASC 830.

Cash and Cash Equivalents:

The Company considers all highly liquid investments originally purchased with maturities of three months or less to be cash equivalents.

Revenue Recognition:

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services are rendered, the sales price or fee is fixed or determinable, and collectability is reasonably assured.

Research and Development Costs:

Research and development costs are charged to expenses as incurred. The Company's research and development is performed by the Company's subsidiary, Reflective Solutions Bulgaria Ltd.

Income Taxes:

The Company accounts for income taxes in accordance with ASC 740-10, "Accounting for Income Taxes" This statement prescribes the use of the liability method whereby deferred tax assets and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

Fair Value of Financial Instruments:

ASC 820, "Fair Value Measurements and Disclosures", defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Valuations based on quoted prices in active markets for identical assets that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The fair value of the derivative liabilities are valued based on level 2 of the hierarchy.

The carrying amounts of cash and cash equivalents, short-term loans, and accounts payable approximate their fair value due to the short-term maturities of such instruments.

The carrying amounts of long-term notes payable received in cash are reported at their original amounts.

Basic and Diluted Net Loss Per Share:

Basic and diluted net loss per share is presented in accordance with ASC 260-10, "Earnings Per Share" for all periods presented. Basic and diluted net loss per share of Common Stock was determined by dividing net loss attributable to Common stock holders by weighted average number of shares of Common Stock outstanding during the period. Diluted net loss per share of Common Stock is the same as basic net loss per share of Common Stock for all periods presented as the effect of the Company's potential additional shares of Common Stock were anti-dilutive.

NOTE 4 LOANS AND WARRANTS

In December 2005, the Company completed the private placement to certain accredited investors that commenced in April 2005 for the issuance of up to $1,544,000 of units of its securities, with each unit comprised of (i) the Company’s 18 month 8% promissory note (collectively, the "April 2005 Notes") and (ii) three year warrants (expired). As of September 30, 2016, the remaining outstanding April 2005 Notes principal totaled $356,850. The Company reached an agreement with the investors to cancel the accrued interest. The remaining balance is past due. In 2016 the investors sold the notes to a non-affiliated third party.

In July 2006, the Company commenced a private placement of units of its securities, the (“Loan Notes”), with each unit comprised of (i) the Company’s 8% month promissory note due 12 months from the date of issuance and (ii) warrants, pursuant to which the Company raised $550,000 (the maximum amount that could be raised from this offering). As of September 30, 2016, $86,510 in respect of the principal on these notes remains outstanding and past due. The Company reached an agreement with the investors to cancel the accrued interest. In 2016 the investors sold the notes to a non-affiliated third party.

On March 25, 2011, the Company and one of its stockholders entered into a loan agreement pursuant to which a stockholder loaned to the Company $50,000 for working capital purposes. The Company reached an agreement with the investor to cancel the accrued interest. In 2016 the investor sold the note to a non-affiliated third party. As of September 30, 2016, $17,000 in respect of the principal on these notes remains outstanding and past due.

From August 2011 to August 2012 , the Company received $425,000 from investors on account for loans. The loans bear interest at the rates of 15% to 23% per annum. Principal and accrued interest is convertible into shares of the Company's common stock at the option of the holder at the conversion price of $0.50 per share. The loans are past due. The Company reached an agreement with the investors to cancel the accrued interest. In 2016 the investors sold the notes to a non-affiliated third party.

On August 27, 2012, the Company entered into a Loan Agreement with an investor pursuant to which the Company was to be advanced $21,000. The loan is due on demand and is non-interest bearing. In 2016 the investor sold the note to a non-affiliated third party.

On December 27, 2013, the Company entered into agreements with an accredited investor and a current shareholder of the Company, relating to a private placement of $250,000 in principal amount of the Company's Convertible Promissory Note due December 28, 2015. The note was issued pursuant to a Subscription Agreement dated as of December 27, 2013 between the Company and the Investor. Interest on the Note accrues at the rate of 10% per annum and is payable in cash in arrears upon the earlier of (i) each six months from the date of the note (ii) or the date of conversion or (iii) at maturity, whichever occurs first, and will continue to accrue until the Note is fully converted and/or paid in full. The note is convertible into shares of the Company's common stock at the Investor's option at a conversion rate equal to the average of the closing price of the Common Stock for the ten consecutive trading days immediately preceding the date a notice of conversion is delivered. The Investor may not exercise the conversion right if the shares issuable upon conversion, together with shares held by the Investor, exceed 9.99% of the then outstanding shares of the Company after such conversion and/or exercise. Under the terms of the Subscription Agreement, at any time that the note (or any portion thereof) is converted, the Investor is to receive warrants, exercisable for two years following the date of issuance for Common Stock equal to 50% of the number of shares of Common Stock issued upon conversion of the Note (or any part thereof) at a per share warrant exercise price equal to twice the conversion price. The Company reached an agreement with the investor to cancel the accrued interest. In 2016 the investor sold the note to a non-affiliated third party. As of September 30, 2016, $175,640 in respect of the principal on these notes remains outstanding and past due.

On May 23, 2014, the Company entered into a loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $175,000 to be used for order financing. The principle amount of the loan with a $10,000 fee is repayable by September 30, 2014 and such loan may be pre-paid, at the option of the Company, without notice or penalty. If the loan is not repaid by the scheduled maturity date, the principle amount of the loan shall begin to accrue interest at a rate of 12% per annum from the maturity date until repayment in full. The Company reached an agreement with the investor to cancel the accrued interest. As of September 30, 2016 the remaining principal balance was $29,000. In 2016 the investor sold the note to a non-affiliated third party.

On July 1, 2014, the Company entered into a loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $50,000 to be used for order financing. The principle amount of the loan with a $4,000 fee was repayable by November 30, 2014. If the loan is not repaid by the scheduled maturity date, the principle amount of the loan shall begin to accrue interest at a rate of 12% per annum from the maturity date until repayment in full. The Company reached an agreement with the investor to cancel the accrued interest. In 2016 the investor sold the note to a non-affiliated third party.

On August 1, 2014, the Company entered into a loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $200,000 to be used for order financing. The principle amount of the loan with a $16,000 fee was repayable by November 30, 2014. If the loan is not repaid by the scheduled maturity date, the principle amount of the loan shall begin to accrue interest at a rate of 12% per annum from the maturity date until repayment in full. The Company reached an agreement with the investor to cancel the accrued interest. As of September 30, 2016 the remaining principal balance was $110,000. In 2016 the investor sold the note to a non-affiliated third party.

On May 16, 2016, the Company entered into a convertible loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $25,000. The loan matures one year from the date of the loan and bears interest at a per annum rate of 10%. The principal and accrued interest is convertible into common stock of the Company at a conversion rate of 25% of the prevailing per share market price. As of September 30, 2016 the principal balance and accrued interest payable was $25,938. As of September 30, 2016 a derivative liability in the amount of $91,956 was recorded for the conversion feature. The fair value of the conversion feature was calculated using Black-Scholes and the following assumptions, estimated life of less than 1 year, volatility of 343%, risk free interest rate of 0.45%, and dividend yield of 0%.

On May 27, 2016, the Company entered into a convertible loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $30,000. The loan matures one year from the date of the loan and bears interest at a per annum rate of 10%. The principal and accrued interest is convertible into common stock of the Company at a conversion rate of 25% of the prevailing per share market price. As of September 30, 2016 the principal balance and accrued interest payable was $31,036. As of September 30, 2016 a derivative liability in the amount of $110,960 was recorded for the conversion feature. The fair value of the conversion feature was calculated using Black-Scholes and the following assumptions, estimated life of less than 1 year, volatility of 343%, risk free interest rate of 0.45%, and dividend yield of 0%.

On May 27, 2016, the Company entered into a convertible loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $23,000. The loan matures one year from the date of the loan and bears interest at a per annum rate of 10%. The principal and accrued interest is convertible into common stock of the Company at a conversion rate of 25% of the prevailing per share market price. As of September 30, 2016 the principal balance and accrued interest payable was $23,794. As of September 30, 2016 a derivative liability in the amount of $85,070 was recorded for the conversion feature. The fair value of the conversion feature was calculated using Black-Scholes and the following assumptions, estimated life of less than 1 year, volatility of 343%, risk free interest rate of 0.45%, and dividend yield of 0%.

On June 29, 2016, the Company entered into a convertible loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $18,500. The loan matures one year from the date of the loan and bears interest at a per annum rate of 10%. The principal and accrued interest is convertible into common stock of the Company at a conversion rate of 25% of the prevailing per share market price. As of September 30, 2016 the principal balance and accrued interest payable was $18,971. As of September 30, 2016 a derivative liability in the amount of $69,283 was recorded for the conversion feature. The fair value of the conversion feature was calculated using Black-Scholes and the following assumptions, estimated life of less than 1 year, volatility of 343%, risk free interest rate of 0.45%, and dividend yield of 0%.

On July 23, 2016, the Company entered into a convertible loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $25,000. The loan matures one year from the date of the loan and bears interest at a per annum rate of 10%. The principal and accrued interest is convertible into common stock of the Company at a conversion rate of 25% of the prevailing per share market price. As of September 30, 2016 the principal balance and accrued interest payable was $25,473. As of September 30, 2016 a derivative liability in the amount of $94,494 was recorded for the conversion feature. The fair value of the conversion feature was calculated using Black-Scholes and the following assumptions, estimated life of less than 1 year, volatility of 343%, risk free interest rate of 0.45%, and dividend yield of 0%.

On September 12, 2016, the Company entered into a convertible loan agreement with an investor pursuant to which the Company received a loan in the principal amount of $25,000. The loan matures one year from the date of the loan and bears interest at a per annum rate of 10%. The principal and accrued interest is convertible into common stock of the Company at a conversion rate of 50% of the prevailing per share market price. As of September 30, 2016 the principal balance and accrued interest payable was $25,123. As of September 30, 2016 a derivative liability in the amount of $47,007 was recorded for the conversion feature. The fair value of the conversion feature was calculated using Black-Scholes and the following assumptions, estimated life of less than 1 year, volatility of 343%, risk free interest rate of 0.45%, and dividend yield of 0%.

As of September 30, 2016, working capital loans payable in the amount of $104,785 were received from non-affiliated third parties. The loans are due on demand and bear no interest.

NOTE 5 CAPITAL TRANSACTIONS

Preferred B Shares

As of September 30, 2016 the Company sold 17,500 convertible preferred B shares for $17,500.

Common Stock and Common Stock Equivalents

On October 15, 2015 the Company issued 666,668 shares upon exercise of warrants.

On October 19, 2015 the Company issued 250,000 shares upon exercise of warrants.

On December 22, 2015, the Company issued 340,000 shares to settle debts. The shares were valued at the market price on the date issued.

On December 22, 2015, the Company issued 487,500 shares for consulting services. The shares were valued at the market price on the date issued.

During the year ended December 31, 2015, the Company issued 857,675 shares of its common stock upon conversion of $5,000 in principal and interest of convertible promissory notes.

On February 5, 2016, the Company issued 1,800,000 shares for consulting services. The shares were valued at the market price on the date issued.

On February 5, 2016, the Company issued 2,906,720 shares to an accredited investor for financing costs. The shares were valued at the market price on the date issued.

During the period ended September 30, 2016, the Company issued 670,206,473 shares of its common stock as repayment of debt in the amount of $177,860.

NOTE 6 WARRANTS

On May 15, 2015, 125,000 warrants with an exercise price of $0.15 were issued in conjunction with financing. The fair value of the warrants was calculated using Black-Scholes and the following assumptions, estimated life of 3 years, volatility of 175%, risk free interest rate of 0.01%, and dividend yield of 0%.

On May 21, 2015, 75,000 warrants with an exercise price of $0.15 were issued in conjunction with financing. The fair value of the warrants was calculated using Black-Scholes and the following assumptions, estimated life of 3 years, volatility of 175%, risk free interest rate of 0.01%, and dividend yield of 0%.

On September 3, 2015, warrants held by lenders to issue 916,668 shares were extended through December 31, 2017 and the exercise price was amended to $0.01. The fair value of the warrants as a result of the extension and amended exercise price was calculated using Black-Scholes and the following assumptions, estimated life of 2.33 years, volatility of 175%, risk free interest rate of 0.01%, and dividend yield of 0%.

NOTE 7 STOCKHOLDER'S DEFECIENCY

Authorized Shares

The Company's Board of Directors is authorized to issue from time to time up to 2 million shares of preferred stock in one or more series, and to fix for each such series such voting power and such designations, preferences, relative participating or other rights, redemption rights, conversion privileges and such qualifications or restrictions thereof as shall be adopted by the board and set forth in an amendment to the Company's Certificate of Incorporation. Unless a vote of any shareholders is required pursuant to the rights of the holders of preferred stock then outstanding, the board may from time to time increase or decrease (but not below the number of shares of such series outstanding) the number of shares of any series of Preferred Stock subsequent to the issuance of shares of that series.

On the 26th April 2016 the company applied to the State of Delaware to designate a Series B Convertible Preferred Stock and the amendment of the Amended and restated Certificate of Incorporation of the company that the total number of shares of all classes of stock that the company shall have the authority to issue is 300,000,000 of which 298,000,000 are shares of common stock , par value $0.01 per share and 2,000,000 shares are Preferred Stock, par value $0.01.

On the 14th July , 2016 The State of Delaware approved the amendment of the Amended and restated Certificate of Incorporation of the company that the total number of shares of all classes of stock that the company shall have the authority to issue is 750,000,000 of which 748,000,000 are shares of common stock, par value $0.01.

Equity Incentive Plans

In April 2005, the Company adopted the 2005 Equity Incentive Plan (the "2005 Plan"). A total of 87,500 shares of Common Stock were originally reserved for issuance under the 2005 Plan. The 2005 Plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, bonus stock, awards in lieu of cash obligations, other stock-based awards and performance units. The 2005 Plan also permits cash payments under certain conditions. The compensation committee of the Board of Directors is responsible for determining the type of award, when and to who awards are granted, the number of shares and the terms of the awards and exercise prices. The options are exercisable for a period not to exceed ten years from the date of grant. Vesting periods range from immediately to four years. Under the 2005 plan options granted expire no later than the tenth anniversary from the date of the grant.

In April 2005, the Company adopted the 2005 Non-Employee Directors Stock Option Plan (the "2005 Directors Plan") providing for the issuance of up to 20,000 shares of Common Stock to non-employee directors. Under the 2005 Directors Plan, only non-qualified options may be issued and they will be exercisable for a period of up to six years from the date of grant.

The 2005 Plan and the Non-Employee Directors Plan authorized options exercisable into 95,000 shares of common stock at an exercise price of $7.80. As of September 30, 2016, options for an aggregate of 6,500 shares of Common Stock remain available for future grants under the Company's 2005 Plan and 2005 Directors Plan.

Stock Options:

Options outstanding and exercisable at December 31, 2015:

	Amount o f Options	Weighed Average Exercise Price	Weighed Average Remaining Life in

			Years
Outstanding at the beginning of the year	57,050	$ 9.41	
Expired	(18,150)	-	
Outstanding at the end of the year	38,900	$ 8.20	2.34
Exercisable at the end of the year	38,900	$ 8.20	2.34

Stock Warrants

Warrants outstanding and exercisable at December 31, 2015:

	Amount of Warrants	Weighed Average Exercise Price	Weighed Average Remaining Life in Years
Outstanding at the beginning of the year	514,217		
Expired	(291,717)	-	
Issued	200,000		
Outstanding at the end of the year	422,500	$ 0.26	2.98
Exercisable at the end of the year	422,500	$ 0.26	2.98

NOTE 8 INCOME TAXES

For the year ended December 31, 2015, the Company had available for U.S federal income tax purposes net operating loss carryovers of approximately $5,000,000, which expire beginning in 2018. The net operating loss carryovers may be subject to limitations under Internal Revenue Code due to significant changes in the Company's ownership. The Company has provided a full valuation allowance against the full amount of the net operating loss benefit, since, in the opinion of management, based upon the earnings history of the Company it is more likely than not that the benefits will not be realized.

For the year ended December 31, 2015, the Company had available for UK income tax purposes net operating loss carryovers of approximately $800,000, which can be carried forward indefinitely. The Company has provided a full valuation allowance against the amount of UK unused net operating loss benefit, since management believes that, based upon the earnings history of the Company, it is more likely than not that the benefits will not be realized.

Management does not believe that the Company has any material uncertain tax positions requiring recognition or measurement in accordance with the provisions of ASC 740. The Company's policy is to record interest and penalties on uncertain tax positions, if any, as income tax expense.

All tax years for the Company remain subject to future examinations by the applicable taxing authorities.

NOTE 9 RELATED PARTY TRANSACTIONS

On December 23, 2015, all of the issued and outstanding preferred stock (100 Series A shares) was acquired by Rodz Holding Ltd., a U.K. corporation, which is controlled by Owen Dukes, CEO of the Company. Each one share of Series A Preferred has voting rights equal to (x) 0.019607 multiplied by the total issued and outstanding Common Stock eligible to vote at the time of the respective vote (the "Numerator"), divided by (y) 0.49, minus (z) the Numerator. As a result Rodz Holding Ltd. has a controlling interest in the Company.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Reflective Solutions Ltd. leases office space for 4,400 GBP per quarter. The lease expires July 31, 2016.

Reflective Solutions Inc. leases office space for $750 per month. The lease expires December 31, 2017.

Reflective Solutions Bulgaria Ltd. leases office space for $1000 per month. The lease expires December 31, 2018.

Future minimum lease payments are as follows:

Years ended December 31,	
2016	$34,000
2017	$21,000
2018	$12,000

NOTE 11 SUBSEQUENT EVENTS

Subsequent to September 30, 2016, the Company issued 112,694,690 shares of its common stock as repayment of debt in the amount of $11,824.

On the 4th November , 2016 The State of Delaware approved the amendment of the Amended and restated Certificate of Incorporation of the company that the total number of shares of all classes of stock that the company shall have the authority to issue is 2,000,000,000 of which 1,988,000,000 are shares of common stock, par value $0.0001.