Novation Holdings, Inc.
BALANCE SHEET
Aug 31, 2016 and 2015

Assets

	2016	2015
ISP	$ 5,000	$ 65,000
Total Other Assets	**5,000**	**65,000**
Total Assets	**$ 5,000**	**$ 65,000**

Liabilities and Stockholders' Equity

	2016	2015
Current Liabilities		
Accounts Payable	$ 5,500	$ 4,065
Accrued interest payable	96,050	32,720
Due to unrelated party	15,725	15,725
Notes payable-current portion	522,796	375,296
Subscription payable-FGLD	0	0
Total Current Liabilities	**640,071**	**427,806**
Long-Term Liabilities		
Long term notes payable	290,745	290,745
Total Long-Term Liabilities	**290,745**	**290,745**
Total Liabilities	**930,816**	**718,551**
Stockholders' Equity		
Capital Stock	12,861,573	12,861,573
Retained Earnings	(13,515,124)	(13,609,840)
Net Income	(272,265)	94,716
Total Stockholders' Equity	**(925,816)**	**(653,551)**
Total Liabilities and Stockholders' Equity	**$ 5,000**	**$ 65,000**

Novation Holdings, Inc.
STATEMENT OF INCOME
Year Ended Aug 31, 2016 and 2015

	Aug 31, 2016	Aug 31, 2015
Revenue		
Other Income	$ 0	$ 9,373
Total Revenue	**0**	**9,373**
Cost of Goods Sold		
Total Cost of Goods Sold	**0**	**0**
Gross Profit	**0**	**9,373**
Operating Expenses		
Consulting Expenses	147,500	0
General and administrative	61,435	60,139
Total Operating Expenses	**208,935**	**60,139**
Operating Income (Loss)	**(208,935)**	**(50,766)**
Other Income		
Debt cancellation income	0	172,524
Total Other Income	**0**	**172,524**
Other Expenses		
Interest Expense	63,330	27,043
Total Other Expenses	**63,330**	**27,043**
Income (Loss) Before Income Taxes	**(272,265)**	**94,715**
Income Tax		
Net Income (Loss)	**$ (272,265)**	**$ 94,715**

Novation Holdings, Inc.
STATEMENT OF CASH FLOWS
Year Ended Aug 31, 2016 and 2015

	Aug 31, 2016	Aug 31, 2015
Cash Flows from Operating Activities		
Net Income		
Net Income (Loss)	$ (272,265)	$ 94,716
Total Net Income	**(272,265)**	**94,716**
Adjustments to Net Income		
Adjustments to reconcile Net Income (Loss) to net Cash:		
(Increase) Decrease in:		
Increase (Decrease) in:		
Accounts Payable	1,435	(137,611)
Accrued interest payable	63,330	15,277
Derivative Liability	0	(785,314)
Due To Related Party-Gelmon	0	(45,562)
Notes payable-current portion	147,500	24,644
Total Adjustments	**212,265**	**(928,566)**
Net Cash Provided By (Used In) Operating Activities	**(60,000)**	**(833,850)**
Cash Flows from Investing Activities		
ISP	60,000	60,000
Net Cash Provided By (Used In) Investing Activities	**60,000**	**60,000**
Cash Flows from Financing Activities		
Long term notes payable	0	117
Capital Stock	0	773,596
Net Cash Provided By (Used In) Financing Activities	**0**	**773,713**
Net Increase (Decrease) in Cash	**0**	**(137)**
Cash at Beginning of Period		
Cash at Beginning of Period	0	139
Total Cash at Beginning of Period	**0**	**139**
Cash at End of Period	**$ 0**	**$ 2**

NOVATION HOLDINGS, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For Years ending August 31, 2015 and 2016

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Novation Holdings, Inc., formerly Allezoe Medical Holdings, Inc., and formerly Stanford Management, Ltd. (the "Company"), was incorporated under the laws of the State of Delaware on September 24, 2008. Effective October 25, 2012, the Company amended its Articles of Incorporation to change its name to Novation Holdings, Inc., increased its authorized capital to 500 million shares of common stock, par value $0.001, and 10 million shares of preferred stock, par value $0.001, and changed its place of incorporation from Delaware to Florida. The corporate trading symbol also was changed from ALZM to NOHO at the same time.

The Company was originally organized for the purpose of acquiring and developing mineral properties. On February 18, 2011, all of the mineral properties and related development and exploration activities were disposed of as part of a series of transactions resulting in the Company moving into the medical technology industry.

On February 18, 2011, the Company acquired all of the outstanding shares of Organ Transport Systems, Inc. ("OTS"), a Nevada corporation, and simultaneously disposed of the assets relating to its former activities in mining exploration, along with all related liabilities. Consequently, OTS was considered to be the surviving entity, with the Company intending to include only the financial results of OTS in its financial statements. Effective March 19, 2012 the Company. agreed to rescind the acquisition of Organ Transport Systems, Inc. The net effect of the rescission transaction was to remove OTS as a subsidiary of the Company.

Effective October 25, 2012, the Company completed a 1 for 15 reverse split of its common stock as part of its recapitalization, name change and change of corporate domicile. The reverse stock split was given retroactive recognition in the Form 10-K for the fiscal year ended August 31, 2012. All shares and per share information have been retroactively adjusted to reflect that stock split.

On December 1, 2012, the Company acquired the operating assets of an Internet Service Provider (ISP) based in Utah and continued the existing, profitable ISP operations through a wholly-owned subsidiary. Burgoyne Internet Services, Inc. is operated as a wholly-owned subsidiary of the Company and its results of operations are consolidated with the Company. Burgoyne provides Internet access, emails, and related services to customers throughout the United States, primarily in areas where high speed cable and other high speed Internet access services are not readily available. Its web site is at www.burgoyne.com. As part of the transaction, the Company also executed a Transition Services Agreement with ISP Holdings, LLC., under which ISP Holdings will continue to provide administrative services in managing the ISP business of Burgoyne for a nominal fee of the greater of 2 percent of revenues or $200 per month.

On January 1, 2013, the Company acquired a portion of an existing administrative and financial consulting business and formed Novation Consulting Services, Inc., as a wholly-owned subsidiary. Novation Consulting Services, Inc. provides administrative, financial, legal and similar consulting services to the Company as well as to other, unrelated companies for a fixed monthly fee. That subsidiary was sold as of August 31, 2014 for the assumption of debt totaling $285,000 and the loss from disposition of subsidiary operations is reflected in the loss for the year ended August 31, 2015.

In May, 2013, the Company acquired 1,000,000 shares of Series A Preferred Stock in Crown City Pictures, Inc. (OTC Pink: CCPI), a non-reporting company, which the Company intended to use for future acquisitions of operating subsidiaries.

On July 23, 2014, the Company entered into an agreement to sell its preferred stock in Crown City Pictures, Inc. to FlowRising Holdings, Inc. for $40,000, payable $10,000 down and the balance by promissory note due in 24 months at 8 percent interest. The transaction closed in September of 2014. The Company retained its holdings for 30,000,000 shares of Crown City Pictures, Inc., received in an acquisition transaction in June 2013 but not recorded as an asset due to lack of marketability of the shares. Simultaneously with the closing of the transaction for the preferred shares, the Company sold the common shares held in Crown City Pictures, Inc. to Michael Gelmon and an unrelated party (15,000,000 shares each) as follows:

Michael Gelmon**:**

Cancellations of amounts due	$ 45,562.15
Cancellation of payable	1,000.00
Compensation due	28,000.00
Total	$ 74,562.15

Third party:

Cancellation of note	$ 39,000.00
Cancellation of note	15,000.00
Cancellation of interest on notes	5.983.41
Total	$ 74,983.41

At the time of the sale, there was no significant public market for the common stock of Crown City Pictures, Inc. the shares were restricted from transfer, and Crown City Pictures, Inc. was not then a currently reporting company.

We now operate through our subsidiaries, Burgoyne Internet Services, Inc., a Florida corporation, and Novation Consulting Services, Inc., a Florida corporation, as of August 31, 2014.

Risks and Uncertainties

The Company operates in an industry that is subject to rapid technological change. The Company's operations will be subject to significant risk and uncertainties including financial, operational, technological, regulatory and other risks associated with a development stage company, including the potential risk of business failure.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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. A significant estimate as of August 31, 2016 included a 100% valuation allowance for deferred tax assets arising from net operating losses incurred since inception and also calculations of derivative liability.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ materially from estimates.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Company had no cash equivalents at August 31, 2016 and August 31, 2015, respectively. The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. There were no balances that exceeded the federally insured limit at August 31, 2016 and August 31, 2015, respectively.

Loss per Share

In accordance with Financial Accounting Standards Board "FASB" Accounting Standards Codification "ASC" Topic 260, "Earnings per Share," basic earnings (loss) per share ("EPS") is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to all dilutive potential of shares of common stock outstanding during the period including stock options or warrants, using the treasury stock method (by using the average stock price for the period to determine the number of shares assumed to be purchased from the exercise of stock options or warrants), and convertible debt or convertible preferred stock, using the if-converted method. Diluted EPS excludes all dilutive potential of shares of common stock if their effect is anti-dilutive. The computation of basic and diluted loss per share for the period ending August 31, 2016, is equivalent since the Company has had continuing losses. The Company also has no common stock equivalents.

Accounting for Stock-Based Compensation

The Company adopted the provisions of FASB ASC 718-20, Stock Compensation – Awards Classified as Equity, which require companies to expense the estimated fair value of employee stock options and similar awards based on the fair value of the award on the date of grant. The cost is recognized over the period during which an employee is required to provide service in exchange for the award, usually the vesting period. At the Annual Meeting of Shareholders held on October 24, 2012, the shareholders approved the adoption of the Novation Holdings, Inc. 2012 Stock Incentive Plan, and the setting aside of 4,500,000 shares of post-reverse split common stock for grants under the Plan. There have been no grants of any stock or other equity under the Plan, or otherwise, at August 31, 2016.

Non-Employee Stock Based Compensation

Share-based payment awards issued to non-employees for services rendered are recorded in accordance with ASC 505, "Equity" at either the fair value of the services rendered or the fair value of the share-based payment, whichever is more readily determinable.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740, Income Taxes. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded and deducted from deferred tax assets when the deferred tax assets are not expected to be realized based on currently available evidence. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Management has analyzed its various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported. Additionally, management believes that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded.

Revenue Recognition

The Company recognizes revenue in accordance with FASB ASC 605 on revenue recognition for consulting and ISP services. Revenue from consulting and ISP services will be recognized only when persuasive evidence of a sale or arrangement with a customer exists, price if fixed and determinable, services have been performed, and collectability of the resulting receivable reasonably assured.

Cash received in advance of meeting the revenue recognition criteria described above is recorded as deferred revenue.

Concentrations of Credit Risk

The Company maintains its cash in bank deposit accounts in a bank which participates in the Federal Deposit Insurance Corporation (FDIC) Program. As of August 31, 2016 and August 31, 2015, the Company had no balances in excess of federally insured limits.

Fair Value of Financial Instruments

All financial instruments, including derivatives, are to be recognized on the balance sheet initially at fair value. Subsequent measurement of all financial assets and liabilities except those held-for-trading and available for sale are measured at amortized cost determined using the effective interest rate method. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired.

The carrying amounts of the Company’s other short-term financial instruments, including accounts payable and accrued liabilities, approximate fair value due to the relatively short period to maturity for these instruments. The Company does not utilize financial derivatives or other contracts to manage commodity price risks. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

The fair value of the Company's financial assets and liabilities reflects the Company's estimate of amounts that it would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from sources independent from the Company) and to minimize the use of unobservable inputs (the Company's assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

Recent Accounting Pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company’s financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company’s financials properly reflect the change.

NOTE 2. GOING CONCERN

The accompanying consolidated financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company is and has suffered recurring losses and has no established source of revenue. Its ability to continue as a going concern is dependent upon achieving profitable operations and generating positive cash flows.

There can be no assurances that the Company will be able to achieve profitable operations or obtain additional funding. These factors create substantial doubt about the Company’s ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of the uncertainty. Management intends to raise financing through private or public equity financing or other means and interests that it deems necessary to provide the Company with the ability to continue in existence.

NOTE 3. INCOME TAXES

The Company accounts for income taxes in accordance with accounting standards for Accounting for Income Taxes which require the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities, and for the expected future tax benefit to be derived from tax loss and tax credit carry-forwards. Additionally, the standards require the establishment of a valuation allowance to reflect the likelihood of realization of deferred tax assets.

The Company has adopted the provisions of FASB ASC 740-10-25. As a result of its implementation, the Company performed a comprehensive review of its uncertain tax positions in accordance with recognition and measurement standards established by FASB ASC 740-10-25. In this regard, an uncertain tax position represents the Company's expected treatment of a tax position taken in a prepared and filed tax return, or expected to be taken in a tax return, that has not been reflected in measuring income tax expense for financial reporting purposes. The Company does not expect any reasonably possible material changes to the estimated amount of liability associated with uncertain tax positions through August 31, 2016. The Company's continuing policy is to recognize accrued interest and penalties related to income tax matters in income tax expense.

NOTE 4. CAPITAL STOCK

The Company is authorized to issue 10,000,000,000 shares of common stock, par value $0.001 per share and 5 million shares of preferred stock, par value $0.001. We had a total of 7,469,919,540 common shares and 1,000,000 preferred shares issued and outstanding as of August 31, 2016, During the year ended August 31, 2016, the Company issued no common stock. There are also 1,000,000 shares of Series A Preferred Stock issued and outstanding, representing a total vote of 51 percent of the total voting power of all shares outstanding.

NOTE 5. NOTES PAYABLE

The following is a summary of notes payable at August 31, 2016 and August 31, 2015:

Description	August 31, 2016	August 31, 2015
On July 10, 2013, the Company issued its promissory note in the amount of $35,150 to an unrelated third party for additional working capital. The note was due on July 31, 2015 and carried interest at 8 percent per annum. The note is convertible into common stock of the Company at the election of the Holder, at 50% of the average closing stock price of the Company's common stock for the ten trading days prior to conversion. $30,150 of the note has been converted as of August 31, 2015. There were no conversions in 2015.	5,000	5,000
On March 27, 2014, a former consultant transferred its promissory note in the amount of $23,950 plus interest 1,087 totaling $25,037 to an unrelated third party. The note was due on March 27, 2015 and carries interest at 10 percent per annum. The note is convertible, after 180 days, into common stock of the Company at the election of the Holder, at 50% of the lowest closing bid price for the fifteen days prior to the date of conversion. This note is fully outstanding as of August 31, 2016.	25,037	25,037
On July 8, 2014, the Company issued its promissory note in the amount of $16,500 to an unrelated third party for additional working capital paid to the Company. The note was due on July 7, 2015 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company at the election of the Holder, at 50% of the average closing stock price for the last ten days prior to the date of conversion. The note was fully outstanding as of August 31, 2016.	16,500	16,500

On June 25, 2013, the Company issued its promissory note in the amount of $30,000 to an unrelated third party as part of an acquisition of notes receivable. The note was due on June 3, 2014 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company after three months, at the election of the Holder, at $0.0004. The note was fully outstanding as of August 31, 2016.	30,000	30,000
On February 20, 2014, the Company issued its promissory note in the amount of $34,667 to an unrelated third party for additional working capital. The note was due on May 31, 2015 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company at the election of the Holder, at 50% of the average closing stock price for the last ten days prior to the date of conversion. On May 14, 2015, the note was sold to an unrelated third party investor with accrued interest of $333 and a replacement note was issued for $35,000, due on May 13, 2016. The note was fully outstanding as of August 31, 2016.	35,000	34,667
On October 17, 2013, the Company issued its promissory note in the amount of $39,000 to an unrelated third party for additional working capital paid in cash to the Company.. The note was due on December 31, 2015 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company immediately at 50% of the average closing stock price of the Company's common stock for the ten trading days prior to conversion. The note was fully outstanding as of August 31, 2016.	39.000	39,000
On December 6, 2012, the Company issued its promissory note in the amount of $280,000 to an unrelated third party for additional working capital. The note is due on May 31, 2014 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company after three months, at the election of the Holder, at $0.03. The Note was issued at a discount of $15,000, of which $0 unamortized portion remained at August 31, 2015. $134,502 had been converted into common stock as of August 31, 2016.	290,629	290,629
On December 20, 2013, a former independent accounting firm transferred its promissory note in the amount of $7,000 to an unrelated third party. The note was due on June 30, 2015 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company at the election of the Holder, at 50% of the average closing stock price for the last ten days prior to the date of conversion. The note was fully outstanding as of August 31, 2016. -	7,000	7,000
On March 27, 2014, the Company issued its promissory note in the amount of $15,000 to an unrelated third party for additional working capital paid by wire transfer to the Company. The note is due on March 27, 2015 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company at the election of the Holder, at 50% of the average closing stock price for the last ten days prior to the date of conversion. The note was fully outstanding as of August 31, 2016.	15,000	15,000

On April 11, 2014, the Company issued its promissory note in the amount of $15,000 to an unrelated third party for additional working capital paid by wire transfer t the Company. The note was due on April 30, 2015 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company at the election of the Holder, at 50% of the average closing stock price for the last ten days prior to the date of conversion. The note was fully outstanding as of August 31, 2016.	15,000	15.000
On March 18, 2014, Indian River Financial Services LLC transferred its promissory note in the amount of $19,525 plus interest 1,375 and outstanding debt of $5,475 totaling $26,375 to an unrelated third party. The note is due on March 18, 2015 and carries interest at 10 percent per annum. The note is convertible into common stock of the Company at the election of the Holder, at 35% of the average lowest three trading prices for the five days prior to the date of conversion. $16,203 of this note has been converted as of August 31, 2016.	10,172	10,172
On March 27, 2014, the Company issued its promissory note in the amount of $42,500 to an unrelated third party for additional working capital. The note was due on March 27, 2015 and carries interest at 10 percent per annum. The note is convertible, after 180 days, into common stock of the Company at the election of the Holder, at 50% of the lowest closing bid price for the fifteen days prior to the date of conversion. This note is fully outstanding as of August 31, 2016.	42,500	42,500
On August 1, 2014, the Company issued its promissory note in the amount of $135,087 to Michael Gelmon, its CEO, in conversion of accrued consulting fees due. The note was due on August 1, 2016 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company at the election of the Holder, at 50% of the average closing stock price for the last ten days prior to the date of conversion. This note is fully outstanding as of August 31, 2016.	135,087	135,087
On March 1, 2016, the Company issued its promissory note in the amount of $147,500 to an unrelated financial advisor as compensation under a consulting agreement. The note is due on March 1, 2017 and carries interest at 10 percent per annum. The note is convertible into common stock of the Company at the election of the Holder, at 50% of the average closing bid price for the last twenty days prior to the date of conversion. In the event the stock drops to $.0001 per share, the conversion price becomes fixed at $.00005 per share. This note is fully outstanding as of August 31, 2016.	147,500	147,500