

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

CYduct Diagnostics, Inc.

A Nevada Corporation

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Westport, CT 06880

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SIC Code: 3841

Annual Report
For the Year Ending: June 30, 2021
(the "Reporting Period")

As of June 30, 2021, the number of shares outstanding of our Common Stock was: 5,141,239

As of March 31, 2021, the number of shares outstanding of our Common Stock was: 4,991,239

As of June 30, 2020, the number of shares outstanding of our Common Stock was: 1,247,087,723

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ "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 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.

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

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

- a) Solos Endoscopy, Inc. until 12-20
- b) ViaDux Health, Inc. until 3-06
- c) Prime Capital Resources, Inc. until 9-16-05 State of Incorporation changed from Florida to Nevada concurrent with the name change
- d) MobileVest, Inc. until 8-02

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

February 2, 2005, State of Nevada, Active

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:

On December 1, 2020, the Company affected a 1 for 250 reverse stock split of its common stock and reduced its authorized shares to 250,000,000.

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

1698 Post Road E.
Westport, CT 06880

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

Check box if principal executive office and principal place of business are the same address: ☒

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

Yes: ☐ No: ☒

2) Security Information

Trading symbol:	CYDX	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	23256Q105	
Par or stated value:	\$0.001	
Total shares authorized:	250,000,000	as of date: June 30, 2021
Total shares outstanding:	5,141,239	as of date: June 30, 2021
Number of shares in the Public Float ² :	273,424	as of date: June 30, 2021
Total number of shareholders of record:	601	as of date: June 30, 2021

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Trading symbol:	SNDY	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	834371502	
Par or stated value:	\$0.001	
 Total shares authorized:	2,900,000,000	as of date: September 30, 2020
Total shares outstanding:	1,247,087,723	as of date: September 30, 2020
Number of shares in the Public Float:	74,158,990	as of date: September 30, 2020
Total number of shareholders of record:	599	as of date: September 30, 2020

All additional classes of securities (if any):

Trading symbol:	N/A	
Exact title and class of securities outstanding:	Series B Convertible Preferred Stock	
CUSIP:	N/A	
Par or stated value:	\$0.001	
Total shares authorized:	1,000,000	as of date: June 30, 2021
Total shares outstanding:	Zero	as of date: June 30, 2021

Transfer Agent

Name: Pacific Stock Transfer
Phone: 702-361-3033
Email: joslyn@pacificstocktransfer.com
Address: 6725 Via Austi Pkwy, Suite 300, Las Vegas, NV 89119

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct 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

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date 7/1/19 Common: 1,247,087,723 Preferred: Zero									
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.
12/1/2020	Reverse Stock Split	-1,242,096,514	Common	N/A	N/A	N/A	1 for 250 Reverse Stock Split	N/A	N/A
02/09/2021	Security Issue	1	Common	N/A	N/A	N/A	Round-up from Above Reverse Split	Restricted	N/A
03/03/2021	Security Issue	29	Common	N/A	N/A	N/A	Round-up from Above Reverse Split	Restricted	N/A
4/12/2021	Security Issue	150,000	Common	N/A	N/A	N/A	Issued for Purchase of Assets	Restricted	N/A
Shares Outstanding on Date of This Report: <u>Ending Balance</u> Date 6/30/21 Common: 5,141,239 Preferred: Zero									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

None

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

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	Reason for Issuance (e.g. Loan, Services, etc.)
06/02/2020	\$59,500	\$59,500	\$0	06/02/2050	N/A	U. S. Small Business Administration	Economic Injury Disaster Loan
09/07/2018	\$40,000	\$40,000	\$1,659	03/04/2020	*	Just Marketing Group Adam Rossique	Purchase of Preferred Stock
09/28/2018	\$40,000	\$40,000	\$1,654	*09/27/2019	*	Infinite Investments Nathaniel Rossique	Purchase of Preferred Stock

Use the space below to provide any additional details, including footnotes to the table above:

*In the event this Note is not repaid, or deemed repaid, in full on or before the Maturity Date of this Note, then on and after the Maturity Date the Holder shall have the right, but not the obligation, to convert the unpaid balance of this Note, principal and accrued interest, into that number of shares of the Maker's Common Stock as shall equal the quotient of a fraction, (x) the numerator of which shall be the amount of the unpaid balance of this Note and (y) the denominator of which shall be the product of (i) the average closing bid price of the Maker's Common Stock for the 10 days on which such Stock actually traded on the OTC immediately preceding the Maker's receipt of Holder's written notice of conversion, and (ii) .50 (resulting in the Holder receiving a 50% discount to such average closing price).

The holder of the note originally due on September 27, 2019 has agreed to extend the maturity of that note until September 27, 2021, under the same terms. The Company has not received any notices of default with respect to these notes.

4) Financial Statements

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

☒ U.S. GAAP

☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Claus Madsen
Title: Chief Financial Officer
Relationship to Issuer: Officer

Provide the financial statements described below 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. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Statement of changes in shareholders' equity
- E. Financial notes; and
- F. Audit letter, if audited

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

The financial statements for the years ended June 30, 2021 and 2020 are attached to this disclosure statement.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

CYduct Diagnostics, Inc. is a 30-year-old healthcare instrument company whose mission is to develop and market high quality and innovative medical devices for the screening, diagnosis, treatment and management of medical conditions.

B. Please list any subsidiaries, parents, or affiliated companies.

None

C. Describe the issuers' principal products or services.

CYduct Diagnostics markets medical devices for the screening, diagnosis, treatment and management of medical conditions. The Company markets its products directly to hospitals, surgery centers and physician offices.

The Company has several dozen products, mainly endoscopes, hand-held surgical instruments and video equipment, for the minimally invasive surgery market, all of which can be found on its website at: www.CYductDX.com.

To complement its endoscopic products, CYduct also markets a complete line of branded surgical instruments, manufactured by third parties to its own design specifications, for the general surgical market, including:

- Endoscopes and accessories
- Tissue forceps, graspers, clamps
- Endoscopic surgical Instruments
- Cannulas & Trocars
- Suction/Irrigation instruments
- Electrocautery instruments and accessories

CYduct products are supported by a full-service third-party repair company, which repairs not only Solos branded products but also most competitors' video and instrument products.

6) 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.

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 rents offices at 1698 Post Road E., Westport CT 06880.

7) Officers, Directors, and Control Persons

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.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any 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 of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Dom Gatto	Officer, Director, More than 5% Beneficial Owner	Branford, CT	4,475,133 Zero	Common Preferred	89.7%	None
Claus Madsen	Officer	Flower Mound, TX	None	N/A	N/A	None

8) Legal/Disciplinary History

A. Please identify whether any of the persons 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.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name:	Richard Klein, Esq.
Address 1:	70 Taymil Rd., Suite 200
Address 2:	New Rochelle, NY 10804-2802
Phone:	914-498-4187
Email:	rgklawfirm@gmail.com

Accountant or Auditor

Name: TPS Thayer
Address 1: 1600 Hwy 6, Suite 100
Address 2: Sugar Land, TX 77478
Phone: 281-552-8430
Email: info@tpscpas.com

Investor Relations

None

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

None

The remainder of this page is intentionally left blank.

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).

The certifications shall follow the format below:

I, Dom Gatto, certify that:

1. I have reviewed this annual disclosure statement of CYduct Diagnostics, 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.

September 28, 2021

s/s Dom Gatto

Principal Financial Officer:

I, Claus Madsen, certify that:

1. I have reviewed this annual disclosure statement of CYduct Diagnostics, 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.

September 28, 2021

s/s Claus Madsen

CYduct Diagnostics, Inc.

Financial Statements for the Years ended June 30, 2021 and 2020

TABLE OF CONTENTS

	<u>Page</u>
Balance Sheets as of June 30, 2021 and 2020	2
Statements of Operations for the Years ended June 30, 2021 and 2020	3
Statements of Cash Flows for the Years ended June 30, 2021 and 2020	4
Statement of Stockholders' Equity for the Years ended June 30, 2021 and 2020	5
Notes to Financial Statements	6-15

CYduct Diagnostics, Inc.
Balance Sheets
For the Years Ended June 30, 2021 and 2020

ASSETS

	June 30,	
	2021	2020
Current Assets		
Cash	\$ 18,914	\$ 76,861
Accounts receivable, net	29,541	11,025
Inventory and supplies	23,623	11,796
Total Assets	<u>\$ 72,078</u>	<u>\$ 99,682</u>

LIABILITIES AND STOCKHOLDERS' (DEFICIT)

Current Liabilities		
Accounts payable and accrued expenses	\$ 13,884	\$ 3,461
Accounts payable and accrued expenses-related parties	1,044,030	776,390
Convertible notes payable	<u>80,000</u>	<u>80,000</u>
Total Current Liabilities	<u>1,137,914</u>	<u>859,851</u>
Non Current Liabilities		
Notes payable	<u>59,500</u>	<u>59,500</u>
Total Liabilities	<u>1,197,414</u>	<u>919,351</u>
Commitments and contingencies		
Stockholder's (Deficit)		
Preferred stock, Class B Convertible Preferred Stock		
1,000,000 shares authorized \$.001 par value, zero		
shares issued and outstanding at June 30, 2021 and 2020	-	-
Common stock, 250,000,000 shares authorized		
\$.001 par value, 5,141,239 and 4,991,239 shares issued and		
outstanding at June 30, 2021 and 2020	5,138	4,988
Additional paid-in capital	11,688,370	11,627,020
Retained (Deficit)	<u>(12,818,844)</u>	<u>(12,451,677)</u>
Total Stockholder's (Deficit)	<u>(1,125,336)</u>	<u>(819,669)</u>
Total Liabilities and Stockholders' (Deficit)	<u>\$ 72,078</u>	<u>\$ 99,682</u>

The accompanying notes are an integral part of these financial statements

CYduct Diagnostics, Inc.
Statements of Operations
For the Years Ended June 30, 2021 and 2020

	Years Ended June 30,	
	2021	2020
Revenues, net	\$ 160,826	\$ 154,422
Cost of goods sold	44,293	47,304
Gross Profit	116,533	107,118
Operating Expenses		
General and administrative	418,576	351,305
	418,576	351,305
(Loss) before other expenses	(302,043)	(244,187)
Other (expenses)		
Interest expense	(1,200)	(1,203)
Impairment of inventory	(63,924)	-
	(65,124)	(1,203)
Income before income taxes	(367,167)	(245,390)
Income taxes	-	-
Net Income	\$ (367,167)	\$ (245,390)
Income per share	\$ (0.07)	\$ (0.05)
Weighted average shares	5,002,315	4,991,209

The accompanying notes are an integral part of these financial statements

CYduct Diagnostics, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	Years Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ (367,167)	\$ (245,390)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Accounts receivables	(18,515)	8,458
Inventory	(11,827)	95
Accounts payable and accrued expenses-related parties	267,640	239,800
Accounts payable and accrued liabilities	10,422	2,552
Net cash provided by (used in) operating activities	(119,447)	5,515
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of assets	61,500	-
Net cash (used) in investing activities	61,500	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of notes payable	-	59,500
Net cash (used)/provided by financing activities	-	59,500
 Net Increase/(Decrease) in cash	(57,947)	65,015
 CASH AT BEGINNING PERIOD	76,861	11,846
 CASH AT END OF PERIOD	\$ 18,914	\$ 76,861
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

CYduct Diagnostics, Inc.
Statements of Changes in Stockholders' (Deficit)
For the Years Ended June 30, 2021 and 2020

	Common Stock		Additional	Retained	
	Shares	Amount	Paid-In Capital	(Deficit)	Total
Balance-July 1, 2019	4,991,206	\$ 4,988	\$ 11,627,020	\$ (12,206,287)	\$ (574,279)
Net income for the year	-	-	-	(245,390)	(245,390)
Balance-June 30, 2020	4,991,206	4,988	11,627,020	(12,451,677)	(819,669)
Shares Issued in Round-up of Previous Reverse Split	30	-	-	-	-
Shares Issued for Acquisition of Assets	150,000	150	61,350	-	61,500
Net income for the year	-	-	-	(367,167)	(367,167)
Balance-June 30, 2021	<u>5,141,236</u>	<u>\$ 5,138</u>	<u>\$ 11,688,370</u>	<u>\$ (12,818,844)</u>	<u>\$ (1,125,336)</u>

The accompanying notes are an integral part of these financial statements

CYduct Diagnostics, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2021 and 2020

NOTE 1 – Organization, History and Business Activity

CYduct Diagnostics, Inc. (f/k/a Solos Endoscopy, Inc.) (“CYduct” or “the Company”) is a Nevada corporation. CYduct is in the business of developing and marketing technology, applications, medical devices and procedural techniques for the screening, diagnosis, treatment and management of disease and medical conditions.

NOTE 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of CYduct is presented to assist in understanding CYduct’s financial statements. The financial statements and notes are representations of CYduct’s management, which is responsible for their integrity and objectivity. These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Concentration of Risk

CYduct places its cash and temporary cash investments with established financial institutions. Management feels this risk is mitigated due to the longstanding reputation of these banks.

In the normal course of business, the Company extends unsecured credit to most of its customers. Management periodically reviews its outstanding accounts receivable and establishes an allowance for doubtful accounts based on historical collection trends and other criteria.

Cash and Cash Equivalents

CYduct considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Fair Value of Financial Instruments

Effective January 1, 2008, the Company adopted FASB ASC 820, Fair Value Measurements and Disclosures, Pre Codification SFAS No. 157, “Fair Value Measurements”, which provides a framework for measuring fair value under GAAP.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also expands disclosures about instruments measured at fair value and establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 — Quoted prices for identical assets and liabilities in active markets;

Level 2 — Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company designates cash equivalents (consisting of money market funds) and investments in securities of publicly traded companies as Level 1. The total amount of the Company's investment classified as Level 3 is de minimis.

The fair value of the Company's debt as of June 30, 2021 and 2020 approximated fair value at those times.

Fair value of financial instruments: The carrying amounts of financial instruments, including cash and cash equivalents, short-term investments, accounts payable, accrued expenses, derivative liabilities and notes payables approximated fair value as of June 30, 2021 and 2020 because of the relative short term nature of these instruments. At June 30, 2021 and 2020, the fair value of the Company's debt approximates carrying value.

Trade Accounts Receivable

Trade accounts receivable is recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends.

Inventory

The Company's inventory is valued at the lower of cost (first in, first out) or market using the retail method.

Long-lived Assets

Long-lived assets are stated at cost. Maintenance and repairs are expensed as incurred. Depreciation is determined using the straight-line method over the estimated useful lives of the assets, which is between five to thirty-nine years.

Where an impairment of a property's value is determined to be other than temporary, an allowance for the estimated potential loss is established to record the property at its net realizable value.

When items of building or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations. The Company does not have any long-lived tangible assets, which are considered to be impaired as of June 30, 2021.

Convertible Debt

If the conversion features of conventional convertible debt provide for a rate of conversion that is below market value at issuance, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount pursuant to ASC Topic 470-20 "Debt with Conversion and Other Options." In those circumstances, the convertible debt is recorded net of the discount related to the BCF, and the Company amortizes the discount to interest expense, over the life of the debt. As of June 30, 2021 and 2020 no BCF was applicable on convertible debt.

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued amended guidance on the accounting for leasing transactions. The primary objective of ASC Topic 842, *Leases*, is to increase transparency and comparability among organizations by requiring lessees to recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The guidance also makes some changes to lessor accounting and requires additional disclosures about all leasing arrangements.

Companies are required to use a modified retrospective approach, with the option of applying the requirements of the standard either (1) retrospectively to each prior comparative reporting period presented, or (2) on a modified retrospective basis at the beginning of the period of adoption. The Company adopted this standard on the effective date, which is the first day of the fiscal year ending December 31, 2019.

Revenue Recognition

The Company recognizes revenue in accordance with the Securities and Exchange Commission Staff Accounting Bulletin (SAB) Number 104, which states that revenues are generally recognized when it is realized and earned.

Specifically, the Company recognizes revenue when the product is delivered and accepted by the customer. Revenues are earned from sales of the Company's medical devices and other related services.

Income Taxes

The Company accounts for income taxes under an asset and liability approach. This process involves calculating the temporary and permanent differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The temporary differences result in deferred tax assets and liabilities, which would be recorded on the Company's balance sheets in accordance with ASC 740, which established financial accounting and reporting standards for the effect of income taxes. The Company must assess the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent the Company believes that recovery is not likely, the Company must establish a valuation allowance. Changes in the Company's valuation allowance in a period are recorded through the income tax provision on the consolidated statements of operations.

On January 1, 2007, the Company adopted ASC 740-10 (formerly known as FIN No. 48, Accounting for Uncertainty in Income Taxes). ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Under ASC 740-10, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, ASC 740-10 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As a result of the implementation of ASC 740-10, the Company recognized no material adjustment in the liability for unrecognized income tax benefits.

Segments

The Company operates in one business segment, namely the business of developing and marketing technology, applications, medical devices and procedural techniques for the screening, diagnosis, treatment and management of disease and medical conditions.

Loss Per Share

The Company is required to provide basic and dilutive earnings (loss) per common share information. The basic net loss per common share is computed by dividing the net loss applicable to common stockholders by the weighted average number of common shares outstanding.

Diluted net loss per common share is computed by dividing the net loss applicable to common stockholders, adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities.

For the years ended June 30, 2021 and 2020, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

Covid-19 Disclosure

The COVID-19 global pandemic may seriously negatively affect the Company's operations and business. It is possible that this ongoing global pandemic may cause the Company to have to significantly delay or suspend its operations, which would likely result in a material adverse impact on its business and financial positions.

Furthermore, the Company may be unable to raise sufficient capital due to COVID-19's effects on the general economy and the capital markets. If the Company is not able to obtain financing due to COVID-19, then it is highly likely that it will be forced to cease operations. Smaller companies such as Perpetual, who lack significant revenues, earnings and cash flows as well as who lack diversified business operations are particularly vulnerable to having to potentially cease operations due to the effects of COVID-19. If the Company were to be unable to raise capital and cease its operations then it would be very highly likely that the Company would not survive and lenders and investors would suffer a complete loss of all capital loaned to or invested in the Company.

Recent Accounting Pronouncements

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (“ASU 2018-13”), which modifies the disclosure requirements on fair value measurements. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with partial early adoption permitted for eliminated disclosures. The method of adoption varies by the disclosure. The Company has implemented this guidance in the current year ended December 31, 2020, and does not expect the adoption of this guidance to have a material impact on our financial statements.

In December 2019, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (ASU 2019-12), which simplifies the accounting for income taxes. This guidance will be effective for entities for the fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020 on a prospective basis, with early adoption permitted. The Company will adopt the new standard effective January 1, 2021 and does not expect the adoption of this guidance to have a material impact on our consolidated financial statements

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its financial statements.

Reclassifications

Certain amounts have been reclassified and presented to conform to the current financial statement presentation.

NOTE 3 – Financial Condition and Going Concern

CYduct's financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. CYduct has incurred net losses through June 30, 2021, in the amount of \$12,898,844. This factor raises doubt as to CYduct's ability to obtain debt and/or equity financing and achieve profitable operations.

CYduct's management intends to raise additional operating funds through equity and/or debt offerings. However, there can be no assurance management will be successful in its endeavors. Ultimately, CYduct will need to achieve profitable operations to continue as a going concern.

There are no assurances that CYduct will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placement, public offerings and/or bank financing necessary to support CYduct working capital requirements. To the extent that funds generated from operations and any private placements, public offerings and/or bank financing are insufficient, CYduct will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to the Company. If adequate working capital is not available, CYduct will be required to curtail its operations.

NOTE 4 – Accounts Receivable

Accounts receivable as of June 30, 2021 and 2020 was \$29,541 and \$11,025 respectively.

NOTE 5 – Inventories

Inventories consist of components and finished goods and are stated at the lower of cost or market. Cost is determined using the first-in first-out method.

	June 30, 2021	June 30, 2020
Finished goods	<u>\$ 23,623</u>	<u>\$ 11,796</u>

During the quarter ended June 30, 2017, the Company wrote off \$50,000 of its inventory to better reflect the inventory it currently has in stock and has been selling the last two years.

NOTE 6 – Notes Payable

Effective June 2, 2020, the Company received funds from the U.S. Small Business Administration Economic Injury Disaster Loan Program in the amount of \$59,500. This loan carries interest of 3.75% per annum and will be repaid in monthly payments of \$290, beginning twenty-four months from the effective date of the promissory note. Any remaining accrued interest and principal are due thirty years after the date of the promissory note. Collateral for the note is a security interest in substantially all the assets of the Company.

NOTE 7 – Convertible Notes Payable

In September 2018, with effect in October 2018, the Company bought from two shareholders all their holdings of the Company's Series B Convertible Preferred Stock ("Series B"), a total of 64,613 Series B shares, and an aggregate of \$15,000 principal amount of the Company's Convertible Promissory Notes, for an aggregate purchase price of \$80,000. The Company paid the purchase price by delivering to each seller a new Convertible Promissory Note in the principal amount of \$40,000, bearing interest at the rate of one and one-half percent (1.5%) per annum. One Note was due on September 27, 2019 and the other on March 4, 2020, and each Note is convertible by the holder after maturity if the Note has not been paid in full. The Company has agreed to reserve 32,000 shares of common stock in the event of the conversion of each Note.

The holder of the note originally due on September 27, 2019 has agreed to extend the maturity of that note until September 27, 2020, under the same terms. The Company has not received any notices of default with respect to these notes.

NOTE 8 – Income Taxes

Effective January 1, 2007, we adopted the provisions of ASC 740-10 (formerly known as FIN No. 48, Accounting for Uncertainty in Income Taxes). ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements. ASC 740-10 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. The application of income tax law is inherently complex. Laws and regulation in this area are voluminous and are often ambiguous. As such, we are required to make many subjective assumptions and judgments regarding the income tax exposures. Interpretations and guidance surrounding income tax laws and regulations change over time. As such, changes in the subjective assumptions and judgments can materially affect amounts recognized in the balance sheets and statements of income.

At the adoption date of January 1, 2007, we had no unrecognized tax benefit, which would affect the effective tax rate if recognized. There has been no significant change in the unrecognized tax benefit during the years ended June 30, 2021 and 2020.

We classify interest and penalties arising from the underpayment of income taxes in the statement of income under general and administrative expenses. As of June 30, 2021, we had no accrued interest or penalties related to uncertain tax positions. The tax years 2020, 2019 and 2018 federal returns remain open to examination.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The provision (benefit) for income taxes for the years ended June 30, 2021 and 2020, consists of the following:

	2021	2020
Federal:		
Current	\$ -	\$ -
Deferred	-	-
State:		
Current	-	-
Deferred	-	-
	<u>\$ -</u>	<u>\$ -</u>

Net deferred tax assets consist of the following components as of June 30, 2021 and 2020:

	2021	2020
Deferred tax assets:		
Operating Loss	\$2,614,582	\$2,691,957
Deferred tax liabilities:	-	-
Valuation allowance	<u>(2,614,582)</u>	<u>(2,691,957)</u>
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Due to the passage of the “Tax Cuts and Jobs Act” on December 20, 2017 the rate of the U.S. Federal Income Tax has been retroactively dropped from 34% to 21%, which is a flat percentage tax rate.

NOTE 9 – Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock as described below:

	<u>Total Series Authorized</u>	<u>Stated Value</u>	<u>Voting</u>	<u>Annual Dividends per Share</u>	<u>Conversion Rate</u>
Series B	1,000,000	\$.001	Yes	As per common stock	Discount to market

NOTE 10 – Common Stock

On December 1, 2020, the Company affected a 1 for 250 reverse stock split of its common stock and reduced the authorized shares to 250,000,000. The number of share outstanding and per-share amounts for prior periods have been restated.

NOTE 11 – Related Party Transactions

During the nine months ended September 30, 2018, the Company’s former President executed a promissory note to the Company in the amount of \$330,000 in a conversion of the previous receivable from him in connection with his resignation and separation agreement. However, due to the uncertainty concerning the ability of the Company to collect this note receivable, which is non-recourse, the Company has fully reserved against this note receivable.

Included in the accrued liabilities-related parties are accrued but unpaid salaries due the President of the Company. The amounts accrued but unpaid were \$1,000,000 and \$750,000 as of June 30, 2021 and 2020, respectively.

From time to time, the President of the Company makes cash advances to the Company for periodic working capital needs and the Company from time to time makes repayments to the President to satisfy the cash advances, in full or in part. As of June 30, 2021 and 2020, accounts payable and accrued liabilities-related parties, includes a cash advance of \$9,590 from the President of the Company.

The Company has accrued \$30,000 for each of the years ended June 30, 2021 and 2020 for rent on office space leased from an affiliate of the current President of the Company, as further discussed in Note 12.

NOTE 12 – Commitments and Contingencies

Lease Commitments

The Company leases approximately 1,250 square feet of office space from an affiliate of the current President of the Company for a monthly base rent of \$2,500. The lease expired on December 31, 2019 and includes two three-year renewal options at a five percent (5%) annual escalation. Since the lease expired, rent of \$2,500 has been paid on a month-to-month basis.

Rent expense totaled \$30,000 for each of the years ended June 30, 2021 and 2020. Rents of \$11,000 and \$40,200 were paid during the years ended June 30, 2021 and 2020, respectively.

NOTE 13 – Equity Incentive Plan

On May 7, 2021, the Company adopted the 2021 Equity Incentive Plan which permits the granting of stock options, among other things, to employees and other service providers of up to 1,000,000 shares of common stock. All option awards are granted with an exercise price equal to the fair-market value of the Company's stock on the grant date. Options granted by the Company vest on an accelerated basis if there is a change of control of the Company.

No grants were made under this Plan during the year ended June 30, 2021.

NOTE 14 – Subsequent Events

In accordance with ASC 855-10, the Company has analyzed its operations after June 30, 2021, through the date these financial statements were issued and has determined that there have been no material subsequent events to disclose in these financial statements.