

PPJ HEALTHCARE ENTERPRISE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS PERIOD ENDED (UNAUDITED)

	QTR ENDED MARCH 31, 2022	QTR ENDED MARCH 31, 2021
	<hr/>	<hr/>
Gross sales contract and service revenue	169,991* \$	137,990*
Operating Expenses:		
Contract and service cost	97,887	\$ 90,224
Marketing expenses	19,821	12,090
Legal expenses	21,565	11,950
Software R&D	4,500	
Total Operating Expenses	143,773	114,264
Operating Income / Loss	26,218	23,726
Loss on Assets		
Net Income	26,218	23,726
Earnings per share	\$ (0.00001)	\$ (0.0001)
Common shares outstanding	5,305,836,058	4,840,836,058

The accompanying notes are an integral part of these financial statements.

*Currently Outsourced

PPJ HEALTHCARE ENTERPRISE, INC.
CONSOLIDATED BALANCE SHEETS ENDED (UNAUDITED)

ASSETS	QUARTER ENDED MARCH 31, 2022	QUARTER ENDED MARCH 31, 2021
Current Assets		
Cash	\$ 572,116	\$ 59,741
Contracts receivable	1,611,996	1,442,959
Inventory	34,521	27,816
Contingent Asset	13,437,119	12,215,563
Total Current Assets	15,655,752	13,728,994
Equipment	33,353	29,112
Lease deposit	21,015	8,980
Investment in software	925,484	920,984
Total Assets	\$16,635,604	\$14,688,070
Current Liabilities		
Accounts payable	34,105	22,521
Due to officers and directors	3,143,138	3,309,138
Lease liabilities (3 years) Note	78,841	78,841
Loans payable	552,916	49,208
Convertible secured notes w int. ***	224,870	408,355

Other Loan/Judgments	112,000	112,000
Legal expenses accrued since 2015	22,000	35,000
Other liability from 2006 \$1,118,557	0***	1,118,557
Preferred shares to be issued, zero out due to the lender's bankruptcy appear to be finalized		
Affiliate Notes Payable (without interest added)	1,540,330	1,540,330
Total Current Liabilities	5,708,200	6,673,950
Total Liabilities	5,708,200	6,673,950

Stockholders' Equity

Class A Preferred Stock, par value \$10.00; 5,000,000 authorized, none issued	-0-	-0-
Class B Preferred Stock, \$2.50 par value, 50,000,000 authorized, 2,118,000 issued and outstanding	5,295,000	5,295,000
Class E Preferred Stock, \$0.01 par value, 100,000,000 authorized, 40,005,000 issued and outstanding as of June 30, 2019 (30,000,000 Class E Stocks is a Book Entry on Ms. Basu's name for litigation expenses).	400,050	400,050

Common Stock, \$0.0001 par value;
10,000,000,000 authorized; issued:
December 31, 2016 – 4,035,473,847
shares AND JUNE 30, 2019 was
4,661,836,058

After Ms. Basu returned
3,400,000,000.

And 400,000,000 converted during
1st qtr of 2019 by GPL Ventures,
LLC. GPL converted another
180,000,000 on 4/5/2019.

As of 9/30/2021 issued and
outstanding Common Stock is
5,305,836,058 @.0009 per
share

4,775,252

20,331,528

Other Comprehensive
Income(expenses)

4,762,102

11,338,508

Total Stockholders' Equity

10,927,404

8,014,120

Total Liabilities and Stockholders'
Equity

\$ 16,635,604

\$1,4,688,070

The accompanying notes are an integral part of these financial statements.

PPJ HEALTHCARE ENTERPRISE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
PERIOD ENDED (UNAUDITED)

	MARCH 31, 2022	MARCH 31, 2021
Net Revenue	26,218	23,726
Miscellaneous		
Less depreciation		
Operating Expenses		
Contract and Service Cost		
Contracts Receivable	1,611,996	1,5
Lease Deposit	34,521	8,980
Contingent Asses	13,437,119	12,215,563
Net Cash Provided by Operating Activities	26,218	23,726
Investing Activities		
Investment in Software	925,984	920,984
Equipment	33,353	29,112
Lease Liabilities	78,841	78,841
Total Investing Activities		
Financing Activities		
Loans Payable	552,916	58,916
Accrued Litigation Expenses	22,000	35,000
Common Stock	4,775,252	20,331,528
Additional Paid-in Capital		
Total Financing Activities		

Inventory	34,521	27,816
Accounts payable	34,105	

Net cash provided by (used in) operating
activities

Financing activities
Increase (decrease) in long term debt
Common Stock issued
Additional paid-in capital

Net cash provided by financing activities

Net increase (decrease) in cash

Cash at beginning of period	646,233	42,656
Cash at end of period	572,116	59,741

The accompanying notes are an integral part of these financial statements.

**PPJ HEALTHCARE ENTERPRISE, INC. STATEMENT
OF CHANGES IN STOCKHOLDERS' EQUITY
AS OF MARCH 31, 2022 (UNAUDITED)**

	Comm on Stock	Series B Preferred Stock and Series E			Net Income	Other Comprehens ive Income(Exp enses)	Total Sharehold ers' Equity
Balance – December 31, 2022	5,305,836,058	2,118,000	40,005,000		143,652	4,315,900	10,988,318
Stock issued for services							
Stock issued as officers and directors compensati on							
Stock issued as incentive shares							
Stock issued on conversion of notes							
Net Amount onMARCH 31, 2022	5,305,836,058	2,118,000	40,005,000		26,218	4,762,102	10,927,404

The accompanying notes are an integral part of these financial statements.

PPJ HEALTHCARE ENTERPRISE, INC
NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies and Organization

Note A: Organization and Nature of Business: The Company was incorporated in the State of Nevada on May 2, 2000, as Winfield Capital Group, Inc. On June 6, 2001, the Company filed a Certificate of Amendment to its Articles of Incorporation to affect a name change to "Winfield Financial Group, Inc." On April 23, 2004, the Company acquired 100% of the equity interest of Healthcare Business Services Groups, Inc. ("Healthcare"), a Delaware corporation ("Healthcare"). As part of the same transaction, on May 7, 2004, the Company acquired 100% of the equity interest of AutoMed Software Corp. ("AutoMed"), a Nevada corporation, and 100% of the membership interests of Silver Shadow Properties, LLC ("Silver Shadow"), a Nevada single-member limited liability company. The transactions are collectively referred to herein as the "Acquisition". Prior to the Acquisition, the Company was a business broker, primarily representing sellers and offering its clients' businesses for sale. Because of the Acquisition, the Company changed its business focus to medical billing.

On January 7, 2005, the Company filed a Certificate of Amendment to its Articles of Incorporation, with the Nevada Secretary of State and changed its name to "Healthcare Business Services Groups, Inc."

On or about May 7, 2004, the Company acquired Healthcare, AutoMed, and Silver Shadow from Chandana Basu, the sole owner, in exchange for 25,150,000 newly issued treasury shares of the Company's Common Stock and became the sole voting power and 80% of the stockholders. Because of the Acquisition, the Company has changed its business focus.

On June 21, 2004, the Company entered into an agreement with Robert Burley (former Director, President, and Chief Executive Officer of the Company) and Linda Burley (former Director and Secretary of the Company) whereby the Company agreed to transfer certain assets owned by the Company immediately prior to the change in control in consideration for Mr. and Mrs. Burley's cancellation of an aggregate of 2,640,000 of their shares of the Company's common stock. The Company transferred the following assets

to Mr. and Mrs. Burley: (i) the right to the name "Winfield Financial Group, Inc." and (ii) any contracts, agreements, rights, or other intangible property related to the Company's business operations immediately prior to the change in control whether such intangible property was accounted for in the Company's financial statements. After the issuance of shares to Ms. Basu and the cancellation of 2,640,000 shares of Mr. and Mrs. Burley's Common Stock, there were 29,774,650 shares of the Company's Common Stock outstanding. Because of these transactions, control of the Company shifted to Ms. Basu. At closing, Ms. Basu owned 25,150,000 shares (or approximately 81%) out of 33,960,150 shares of the Company's issued and then outstanding Common Stock.

On February 14, 2008, the Company amended its articles of incorporation in Nevada to change its name to PPJ Enterprises. Also, in February of 2008, the Company completed a 1 for 400 reverse stock splits on October 26, 2011

On June 20, 2014, the Company changed its business plan to joint venturing with doctors in setting up new practices, marketing, and management of pain management practices and blood culture labs with a higher percentage of revenue. The Company has two such new relationships with Southern California physicians and is looking forward to growing this line of business in the very near future. This project has been running slow due lack of resources.

On October 17, 2014, the Company filed Articles of Conversion of the Company with the State of Nevada, and on October 27, 2014, the Company filed the State of Florida Articles of Incorporation, reincorporating in the State of Florida. On December 1, 2014, the Company effectively completed a 1 for 100 reverse stock splits of its issued and outstanding shares of common stock and changed its name from PPJ Enterprises to PPJ Healthcare Enterprises, Inc.

The Company recently made a one for 100 reverse stock split of the Common Stock, payable July 25, 2016. The numbers in these financial statements do not reflect this reverse split.

Principles of Consolidation

The accompanying consolidated financial statements include the results of operations of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Going Concern:

As shown in the accompanying financial statements, the Company incurred losses from operations resulting in 2017. As of June 30, 2020, 2019, the Company's current liabilities exceeded its liquid current assets, and the Company has notes that are due and is unable to pay. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company will require substantial additional funding for continuing expansion and to implement its business plans. There is no assurance that the Company will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to the Company. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Note B: Asset Impairments

The balance sheet of the Company for the period ended MARCH 31, 2022, recorded Contracts Receivable of \$1,520,110.

The balance sheet of the Company for the period ended MARCH 31, 2022, recorded contingency assets of 13,437,119 which represented amounts that might be collected on lawsuit retrieval.

As of the date of filing this report, the Company is pleased to inform its shareholders that the Company CEO brought an action to collect \$290,000,000 from Narinder Singh Grewal, MD, the Company added \$8,127,041 back into the contingent assets with 10% interest per annum. This contingent asset has been transferred to our CEO Ms. Chandana Basu for further collection. Just to clear matters, since PPJ is not in litigation, no description of the case is to be provided at this time.

Note C: Cash and Cash Equivalents

For purposes of the cash flow statements, the Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents.

Note D: Accounts Receivable

Accounts receivables are carried at the original invoiced amount less an allowance for doubtful accounts based on the probability of future collection. Management reviews account receivables on a periodic basis to determine if any receivables will potentially be uncollectible. The Company reserves for receivables that are determined to be uncollectible, if any, in its allowance for doubtful accounts. After the Company, has exhausted all collection efforts, the outstanding receivable is written off against the allowance.

Allowance for Doubtful Accounts and Contracts Receivable

We generate most of our revenues and corresponding accounts receivable from the sales of software products. We evaluate the collectability of our account receivable by considering a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, we record a specific reserve for bad debts against amounts due to reduce the net recognized receivable to the amount we reasonably believe will be collected. For all other customers, we recognize reserves for bad debts based on past write-off experience and the length of time the receivables are past due.

The receivables given are receivables for past services for which invoices have been submitted but payments have not been received. The Company has referred these amounts to the collection. Some amounts may be reduced or increased once settlements are reached.

Note E: Litigation

There is no active litigation by or against the Company at this time.

Note F: Convertible Notes

To finance its operations the Company has entered a series of one-year convertible notes. In general, these notes are convertible into common stock at a discount of from 40% to 60% of the market price at the time of conversion. From December 24, 2013, and continued to 12/31/2015, several convertible notes have not been converted yet and are due and unpaid. During 2013, and 2014 the Company issued 22 notes with a face amount of \$516,480. Some of these notes were converted during 2015, 2016, and 2019. The balance of these convertible notes is approximately \$224,870 as of March 31, 2022. In addition, Ms. Basu carries multiple notes that she lent to the Company since 2002, a total of more than \$6,000,000.

2006 Notes

On June 27, 2006, the Company entered a Securities Purchase Agreement (the “Securities Purchase Agreement”) with New Millennium Capital Partners II, LLC, AJW Qualified Partners, LLC, AJW Offshore, Ltd., and AJW Partners, LLC (collectively, the “Investors”). Under the terms of the Securities Purchase Agreement, the Investors purchased an aggregate of (i) \$2,000,000 in callable convertible secured notes (the “Notes”) and (ii) warrants to purchase 50,000,000 shares of our common stock (the “Warrants”).

Pursuant to the Securities Purchase Agreement, the Investors will purchase the Notes and Warrants in three tranches as set forth below:

1. At closing on June 29, 2006 (“Closing”), the Investors purchased Notes aggregating \$700,000 and warrants to purchase 50,000,000 shares of our common stock;
2. Upon the filing of a registration statement registering the shares of common stock underlying the Notes (“Registration Statement”), the Investors will purchase Notes aggregating \$600,000; and,
3. Upon effectiveness of the Registration Statement, the Investors will purchase Notes aggregating \$700,000.

The Notes carry an interest rate of 6% and a maturity date of June 27, 2009. The notes are convertible into our common shares at the Applicable Percentage of the average of the lowest three (3) trading prices for our shares of common stock during the twenty

(20) Trading day period prior to conversion. The “Applicable Percentage” means 50%; provided, however, that the Applicable Percentage shall be increased to (i) 55% if a Registration Statement is filed within thirty days of the closing and (ii) 60% if the Registration Statement becomes effective within one hundred and twenty days from the Closing.

At the Company's option, the Company may prepay the Notes if no event of default exists, there are enough shares available for conversion of the Notes and the market price is at or below \$.05 per share. In addition, if the average daily price of the common stock, as reported by the reporting service, for each day of the month ending on any determination date is below \$.05, the Company may prepay a portion of the outstanding principal amount of the Notes equal to 101% of the principal amount hereof divided by thirty-six (36) plus one month's interest. Exercise of this option will stay all conversions for the following

month. The full principal amount of the Notes is due upon default under the terms of Notes. In addition, the Company has granted the investors a security interest in substantially all its assets and intellectual property as well as registration rights.

The Company simultaneously issued to the Investors seven-year warrants to purchase 50,000,000 shares of our common stock at an exercise price of \$.07. Which has now expired.

The Investors have contractually agreed to restrict their ability to convert the Notes and exercise the Warrants and receive shares of the Company's common stock such that the number of shares of the Company's common stock held by them and their affiliates after such conversion or exercise does not exceed 4.99% of the then issued and outstanding shares of the Company is committed to filing an SB-2 Registration Statement with the SEC within 30 days from the Closing Date the Company will receive the second tranche of the funding when the SB-2 is filed with the SEC and the third and final tranche of the funding when the SB-2 is declared effective by the SEC. There are penalty provisions for us should the filing not become effective within 120 days of the Closing Date. The notes are secured by all our assets to the extent of the outstanding note.

About the 2006 convertible notes, the lender is in bankruptcy and the Company may be able to issue Class B Preferred B Stock for these notes. At present, there are \$1,118,557 of such notes outstanding. Lenders completed bankruptcy and the balance is set to zero.

Note G: Stock Issuance

During the third quarter of 2021, the Company did not issue any stocks.

In 2019, the Company issued 580,000,000 shares of Common Stock pursuant to the conversion of debt.

In 2019, Ms. Basu returned 3,400,000,000 shares of Common Stocks to the treasury to reduce the Company's outstanding.

Note H: Revenue Recognition

The Company's revenue recognition policies are in compliance with Staff Accounting Bulletin SAB 104. All revenue is recognized when persuasive evidence of an arrangement exists, the service or sale is complete, the price is fixed or determinable and collectability is reasonably assured. Revenue is derived from collections of medical billing services. Revenue is recognized when the collection process is complete which occurs when the money is collected and recognized on a net basis.

License revenue - the Company recognizes revenue from license contracts when a non-cancelable, non-contingent license agreement has been signed, the software product has been delivered, no uncertainties exist surrounding product acceptance, fees from the agreement are fixed, and collection is probable. Any revenues from software arrangements with multiple elements are allocated to each element of the arrangement based on the relative fair values using specific objective evidence as defined in the SOPs. If no such objective evidence exists, revenues from the arrangements are not recognized until the entire arrangement is completed and accepted by the customer. For arrangements that require significant production, modification or customization of software, the entire arrangement is accounted for by the percentage of completion method, in conformity with Accounting Research Bulletin ("ARB") No. 45 and SOP 81-1.

Services Revenue - Revenue from consulting services is recognized as the services are performed for time-and-materials contracts and contract accounting is utilized for fixed-price contracts. Revenue from training and development services is recognized as the services are performed. Revenue from the maintenance agreement is recognized ratably over the term of the maintenance agreement, which in most instances is once a year. The Company currently outsources servicing of these contracts.

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 the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are used for but are not limited to: (1) revenue recognition; including the estimated expected customer life; (2) asset impairments; (3) depreciable lives of assets; (4) fair value of stock-based compensation; (5) allocation of direct and indirect cost of sales; (6) fair value of identifiable purchased tangible and intangible assets in a business combination; (7) fair value of reporting units for goodwill impairment test and (8) litigation reserves. Actual results could significantly differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. This reclassification does not affect the net income (loss) of the Company for the period ended December 31, 2019.

Note I: Property and Equipment

Property and equipment are stated at cost. Additions are capitalized and maintenance and repairs are charged to expense as incurred. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is provided using the straight-line method over the estimated useful life of the assets from three to seven years. Expenditures for maintenance and repairs are charged to expenses as incurred.

Note J: Software Development Costs

The Company complied with Statement of Position 98-1 ("SOP 98-1") "accounting for the costs of computer software developed or obtained for internal use", as accounting policy for internally developed computer software costs. Under SOP 98-1, we capitalized software development costs incurred during the application development stage.

Subsequently, the Company decided to market the software Automed. Therefore, the Company is following the guideline under SFAS 86. SFAS 86 specifies that costs incurred internally in creating a computer software product shall be charged to expense when incurred as research and development until technological feasibility has been established for the product. Thereafter, all software production costs shall be capitalized and subsequently reported at the lower of unamortized cost or net realizable value.

Capitalized costs are amortized based on current and future revenue for the product (Automed) with an annual minimum equal to straight-line amortization over the remaining estimated economic life of the product.

Note K: Impairment of Long-Lived Assets

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144") which addresses financial accounting and reporting for the impairment of disposal of long-lived assets and supersedes SFAS No. 121, "accounting for the impairment of long-lived assets and for Long-lived assets to be disposed of," and the accounting and reporting provisions of APB Opinion No. 30, "reporting the results of

operations for disposal of a segment of a business." The Company periodically evaluated the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced by the cost of disposal.

Note L: Stock-Based Compensation

The Company adopted SFAS No. 123-R effective January 1, 2006, using the modified prospective method. Under this transition method, stock compensation expense includes compensation expense for all stock-based compensation awards granted on or after January 1, 2006, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123-R.

Prior to January 1, 2006, the Company measured stock compensation using the intrinsic value method of accounting in accordance with Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations (APB No. 25) and has opted for the disclosure provisions of SFAS No. 123. Thus, the expense was generally not recognized for the Company's employee stock option and purchase plans.

Note M: Income Taxes

The Company accounts for income taxes under the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 109, "Accounting for income taxes" ("statement 109"). Under Statement 109, deferred taxes 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. Under Statement 109, 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.

Note N: Basic and Diluted Net Loss per Share

Net loss per share is calculated in accordance with the Statement of Financial Accounting Standards No. 128 (SFAS No. 128), "Earnings per Share." Basic net loss per share is

based upon the weighted average number of common shares outstanding. Dilution is computed by applying the Treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Weighted average number of shares used to compute basic and diluted loss per share is the same since the effect of dilutive securities is anti-dilutive.

Note O: Fair Value of Financial Instruments

Statements of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments" requires disclosures of information about the fair value of certain financial instruments for which it is practicable to estimate that value. For purposes of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying amounts of the Company's accounts and other receivables, accounts payable, accrued liabilities, factor payable, capital lease payable and notes and loans payable approximate fair value due to the relatively short period to maturity for These instruments.

Note P: Concentrations of Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are cash and accounts receivable. The Company places its cash with financial institutions deemed by management to be of high credit quality. The amount on deposit in any one institution that exceeds federally insured limits is subject to credit risk. All the Company's revenue and the majority of its assets are derived from operations in the United States of America.

Note Q: Reporting Segments

Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information (SFAS No. 131) which superseded statement of Financial Accounting Standards No. 14, Financial Reporting for Segments of a Business Enterprise, establishes standards for the way that public enterprises report information about operating segments in annual financial statements.

Healthcare was a medical billing service provider. Healthcare's sister company, Silver Shadow, made an investment in real estate where Healthcare plans to construct its first surgical center and corporate office development.

There has been very insignificant activity in Automated. Hence the Company has determined it has only one segment.

Note R: Comprehensive Income

Statement of Financial Accounting Standards No. 130 Reporting Comprehensive Income (SFAS No. 130), establishes standards for reporting and displays comprehensive income its components, and accumulated balances. Comprehensive income is defined including all changes in equity, except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS No. 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in financial statements that are displayed with the same prominence as other financial statements.

Note S: Stockholders' Equity

Preferred Stock – The Company's Board of Directors has the authority, without further action by stockholders, to issue shares of preferred stock in one or more series. The Company's Board of Directors may designate the rights, preferences, privileges, and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference, and a number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on the Company's common stock, diluting the voting power of its common stock, impairing the liquidation rights of its common stock, or delaying or preventing a change in control. The ability to issue preferred stock could delay or impede a change in control.

Common Stock – Common stockholders are entitled to one vote per share and dividends when declared by the Board of Directors, subject to any preferential rights of preferred stockholders.

Reverse Stock Split

On December 1, 2014, the Company effected a reverse stock split of its outstanding and authorized shares of common stock at a ratio of 1 for 100. All amounts presented in these financial statements have been adjusted for the reverse stock split.

Increase in Number of Authorized Shares

On November 20, 2014, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of the State of Florida to increase the number of authorized shares of common stock. Because of the amendment, the number of the Company's authorized shares of common stock reduced to 10,000,000,000.

The Company has recently performed a one for 100 reverse stock split, effective July 25, 2016.

Note T: New Accounting Pronouncements

In February 2007, the FASB issued SFAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities--Including an Amendment of FASB Statement No. 115." The statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The management is currently evaluating the effect of this pronouncement on financial statements.

In September 2006, FASB issued SFAS 158 "Employers' Accounting for Defined Benefit Pension and Other Post-Retirement Plans - An Amendment of FASB Statements No. 87, 88, 106, and 132(r). This Statement improves financial reporting by requiring an employer to recognize the over-funded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. This Statement also improves financial reporting by requiring an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. An employer with publicly traded equity securities is required to initially recognize the funded status of a defined benefit postretirement plan to provide the required disclosures as of the end of the fiscal year ending after December 15, 2006. An employer without publicly traded equity securities is required to recognize the funded status of a defined benefit post-retirement plan and to provide the required disclosures as of the fiscal year ending after September 15, 2007. However, an employer without publicly traded equity securities is required to disclose the following information in the notes to financial statements for a fiscal year ending after December 15, 2006, but before September 16, 2007, unless it has applied the recognition provisions of this statement in preparing those

financial statements: A brief description of the provisions of this statement. The date of the adoption is required. The date the employer plans to adopt the recognition provisions of this statement if earlier. The requirement to measure plan assets and benefit obligations as of the date of the Employer's fiscal year-end statement of financial position is effective for fiscal years ending After December 15, 2008. The management is currently evaluating the effect of this Pronouncement on financial statements.

In September 2006, FASB issued SFAS 157 'Fair Value Measurements. This Statement defines fair value, established a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This statement applies under other accounting pronouncements that require or permit fair value measurements; the board has previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this statement does not require any new fair value measurements. However, for some entities, the application of this Statement will change current practice. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those Fiscal years. The management is currently evaluating the effect of this pronouncement on financial statements.

In March 2006 FASB issued SFAS 156 "Accounting for Servicing of Financial Assets" this statement amends FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, with respect to the accounting for separately recognized servicing assets and servicing liabilities. This statement:

1. Requires an entity to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset by entering a servicing contract.
2. Requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable.
3. Permits an entity to choose the 'amortization method' or fair value measurement method for each class of separately recognized servicing assets and servicing liabilities.
4. At its initial adoption, permits a one-time reclassification of available for sale securities to Trading securities by entities with recognized servicing rights, without calling into question The treatment of other available-for-sale securities under Statement 115, provided that the Available-for-sale securities are identified in some manner as offsetting the entity's exposure to changes in fair value of servicing assets or servicing liabilities that a servicer elects to subsequently measure at fair value.

5. Requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities. An entity should adopt this statement as of the beginning of its first fiscal year that begins After September 15, 2006. Management believes that this statement will not have a significant impact on the financial statement.

In February 2006, FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments". SFAS No. 155 amends SFAS no 133, "Accounting for Derivative Instruments and Hedging Activities", and SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishers of Liabilities." SFAS No. 155, permits fair value premeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, clarifies which interest-only strips and principal-only strips are not subject to the requirements of SFAS No. 133, establishes a requirement to evaluate interest in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives, and amends SFAS No. 140 to eliminate the prohibition on the qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This statement is a directive for all financial instruments acquired or issued after the beginning of the Company's first fiscal year that begins after September 15, 2006.

Note U: Supplemental Disclosure of Non-Cash Investing and Financing Activities.

The cash flow statements do not include the following non-cash and financing activities:

In 2005, the Company entered a settlement agreement for the payment of a note by authorizing the payment of \$100,000 in cash and the issuance of 1,500,000 restricted shares of the Company. The Company paid \$43,500 in cash during the year. The Company valued the share based on the market value of the shares on the agreement date. The shares have been valued at \$150,000 and the total amount was paid.

Note V: Other Events.

The Company has sent out instructions for the issuance of Class E Preferred stock to shareholders affected by reverse splits. Shareholders holding shares before July 25, 2016, stock splits have the right to receive additional stocks equal to 20% of their pre-split shares each year for the years 2012, 2013, 2014, 2015, and 2016, these shareholders

will receive Class E Preferred Shares plus the cost of issuance involved at a value of \$0.01 when the cost of issuance is borne by the shareholders. The minimum number of incentive shares to be received by anyone shareholder is 5,000 shares of Class E Preferred shares.