

**Sports Quest, Inc.**  
**Consolidated Balance Sheet**  
**As at September 30, 2022 (Unaudited)**

	Notes	As at September 30, 2022 (Unaudited) (\$)	As at December 31, 2021 (Unaudited) (\$)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	75,301	62,615
Accounts receivable	5	21,190	3,946
Prepaid expenses	6	24,907	4,186
<b>Total Current Assets</b>		<b>121,398</b>	<b>70,747</b>
Long term receivables		-	-
Intangible assets - Allied / ECO	8	-	-
<b>Total Assets</b>		<b>121,398</b>	<b>70,747</b>
<b>STOCKHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>Current Liabilities</b>			
<i>Current portion of long term debts:</i>			
Notes payable - JB		-	-
Trade and other payables	9	-	-
Accrued expenses		-	-
<b>Total Current Liabilities</b>		<b>-</b>	<b>-</b>
Long-term debt - net of current portion		-	-
<b>Total Liabilities</b>		<b>-</b>	<b>-</b>
<b>SHAREHOLDER'S EQUITY</b>			
Preferred A Stock, \$.0001 par value (1,200,000 Issued shares authorized)		1,200	-
Preferred B Stock, \$.0001 par value (1,000,000 Issued shares authorized)		1,000	1,000
Common stock, \$.0001 par value (5,000,000,000 issued shares authorized)		417,876	417,876
Accumulated deficit		(298,678)	(348,129)
<b>Total Shareholders' Equity</b>		<b>121,398</b>	<b>70,747</b>
<b>Total Liabilities and Equity</b>		<b>121,398</b>	<b>70,747</b>

**Sports Quest, Inc.**  
**Consolidated Statement of Operations**  
**For the period ended September 30, 2022**

	For the period ended September 30, 2022	For the period ended September 30, 2021
	---- \$ ----	
REVENUE	199,663	193,660
COST OF GOODS SOLD	(101,841)	(84,166)
GROSS PROFIT	<u>97,822</u>	<u>109,494</u>
OPERATING EXPENSES		
Selling, general and administrative expense	<u>34,542</u>	<u>33,503</u>
TOTAL OPERATING EXPENSES	<u>34,542</u>	<u>33,503</u>
OPERATING PROFIT / (LOSS)	<u>63,280</u>	<u>75,991</u>
OTHER INCOME / (EXPENSE)		
Other income	-	-
Interest expense	(13,829)	(7,048)
Liabilities write off	-	-
PROFIT / (LOSS) BEFORE TAX	<u>49,451</u>	<u>68,943</u>
Taxes	-	-
NET PROFIT / (LOSS)	<u><u>49,451</u></u>	<u><u>68,943</u></u>

Sports Quest, Inc.  
Statement of Shareholders' Equity  
As at September 30, 2022 (Unaudited)

	Series A - Preferred Stock		Series B - Preferred Stock		Common Stock		Accumulated Profit / (Deficit)	Total
	Shares	Par	Shares	Par	Shares	Par		
As at January 1, 2022 (Unaudited)	-	-	10,000,000	1,000	4,178,763,151	417,876	(348,129)	70,747
Series A - preferred stock issued during the period	1,200,000	1,200	-	-	-	-	-	1,200
Profit / (loss) for the period							49,451	49,451
As at September 30, 2022 (Unaudited)	1,200,000	1,200	10,000,000	1,000	4,178,763,151	417,876	(298,678)	121,398

**Sports Quest, Inc.**  
**Statement of cashflows**  
**As at September 30, 2022 (Unaudited)**

	<b>2022</b>	<b>2021</b>
<b>Cash flow from operating activities</b>		
(Loss) / profit before income tax	49,451	68,943
Adjustment for non cash charges and other items	-	-
	<u>49,451</u>	<u>68,943</u>
Changes in operating assets		
Decrease / (increase) in account receivable	(17,244)	(1,604)
Decrease / (increase) in long term receivable	-	(800,000)
(Decrease) / increase in trade payables	-	250,051
(Decrease) / increase in accrued expenses	-	-
Decrease / (increase) in prepaid expenses	(20,721)	(2,326)
	<u>(37,965)</u>	<u>(553,879)</u>
Cash flow from operating activities	<u>11,486</u>	<u>(484,936)</u>
<b>Cash flow from investing activities</b>		
Additions / disposal in intellectual properties	-	-
Disposal of wireless division	-	550,000
Additions in investments	-	-
Cash flow from / (used) in investing activities	<u>-</u>	<u>550,000</u>
<b>Cash flow from financing activities</b>		
Increase / (decrease) in long term debts	-	450,000
Issuance of share capital	-	-
Issuance / (Buy back) of shares	1,200	-
Cash flow from financing activities	<u>1,200</u>	<u>450,000</u>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>12,686</b>	<b>515,064</b>
Cash and cash equivalents at beginning of the period	62,615	7,761
<b>Cash and cash equivalents at end of the period</b>	<b><u>75,301</u></b>	<b><u>522,825</u></b>

**Sports Quest, Inc.**  
**Notes to the Financial Statements**  
**For the period ended September 30, 2022**

**1 LEGAL STATUS AND OPERATIONS**

Sports Quest, Inc. ("the Company") currently is a holding company operating two separate operating divisions. Magnum first a smart energy saving device manufacturing and distributing Center in Ohio [www.magnumfirst.com](http://www.magnumfirst.com) and a Cryptocurrency dark pool investment fund. [www.smallcryptohub.com](http://www.smallcryptohub.com)

The company entered into a strategic cooperation agreement with Magnum Industries through the secured Bank creditor as a quit sale which will allow Magnum First to collect on various receivables and outstanding collectibles to settle the bank debt and take over the entire enterprise.

Cryptocurrency dark pool investment fund. [www.smallcryptohub.com](http://www.smallcryptohub.com) is fully operational. The company engages in high risk High Leverage over the top type of financing of distressed companies. This earns the company immediate Revenue and the opportunity to take over the financed business enterprise should a default occur on the Sports Quest security.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") on a going concern.

**2.2 Accounting Convention**

These financial statements have been prepared on the basis of 'historical cost convention using accrual basis of accounting except as otherwise stated in the respective accounting policies notes.

**2.3 Going concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern no adjustments have been made for any other outcome.

The company is currently in negotiations with current debt holders to satisfy terms for delinquent debt and seeking financing to continue our current business model. As of the date of these financial statements the company has not been successful in finding financing. There is no assurance that the company will find financing to continue our projects.

The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital and expand its business and to satisfy current delinquent debt. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. The Company anticipates raising additional working capital through the issuance of debt and equity securities.

Management believes that actions presently being taken to obtain additional funding provide the Company the opportunity to operate as a going concern.

## **2.4 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with the approved accounting standards require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods.

The areas involving higher degree of judgment and complexity, or areas where assumptions and estimates made by the management are significant to the financial statements are as follows:

- i) Provision for income tax (note - 3.1)
- iii) Stock based compensation (note - 3.12)

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Income tax**

The tax expense for the year comprises of income tax, and is recognized in the statement of earnings. The income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred income tax is calculated at the rates that are expected to apply to the period when the differences are expected to be reversed.

### **3.2 Trade and other payables**

Liabilities for trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

### **3.3 Provisions**

A provision is recognized in the financial statements when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

### **3.4 Accounts Receivable**

Accounts receivable are non-interest bearing obligations due under normal course of business. The management reviews accounts receivable on a monthly basis to determine if any receivables will be potentially uncollectible. Historical bad debts and current economic trends are used in evaluating the allowance for doubtful accounts. The Company includes any accounts receivable balances that are determined to be uncollectible in its overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Based on the information available, the Company believes its allowance for doubtful accounts as of period ended is adequate.

### **3.5 Contingent liabilities**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events, not wholly within the control of the Company; or when the Company has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

### **3.6 Financial liabilities**

Financial liabilities are recognized when the Company becomes party to the contractual provision of the instruments and the Company loses control of the contractual right that comprise the financial liability when the obligation specified in the contract is discharged, cancelled or expired. The Company classifies its financial liabilities in two categories: at fair value through profit or loss and financial liabilities measured at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

#### *(a) Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified in this category if incurred principally for the purpose of trading or payment in the short-term. Derivatives (if any) are also categorized as held for trading unless they are designated as hedges.

#### *(b) Financial liabilities measured at amortized cost*

These are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. These are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account.

### **3.7 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks. For the purpose of the statement of cash flows, cash and cash equivalents bank balances and short term highly liquid investments subject to an insignificant risk of changes in value and with maturities of less than three months.

### **3.8 Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable for goods sold or services rendered, net of discounts and sales tax and is recognised when significant risks and rewards are transferred.

### **3.9 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in US (Dollars) which is the Company's presentation currency. All financial information presented in US Dollars has been rounded to the nearest dollar unless otherwise stated.

### **3.10 Foreign currency transactions**

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the statement of operations.

### **3.11 Contingencies**

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

### **3.12 Stock based compensation**

The Company recognizes compensation expense for stock-based compensation in accordance with generally accepted accounting principles. For employee stock-based awards, fair value of the award on the date of grant is calculated using the Black-Scholes method and the quoted price of the Company's common stock for stock options and unrestricted shares respectively;

The Company recognizes expense over the service period for awards expected to vest.

In case of non-employee stock-based awards, fair value of the award on the date of grant is calculated in the same manner as employee awards. However, the awards are revalued at the end of each reporting period and the pro rata compensation expense is adjusted accordingly until such time the nonemployee award is fully vested, at which time the total compensation recognized to date equals the fair value of the stock-based award as calculated on the measurement date, which is the date at which the award recipient's performance is complete. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience.

The Black-Scholes option valuation model is used to estimate the fair value of the warrants or options granted. The model includes subjective input assumptions that can materially affect the fair value estimates. The model was developed for use in estimating the fair value of traded options or warrants. The expected volatility is estimated based on the most recent historical period of time equal to the weighted average life of the warrants or options granted.



#### 4 Cash and cash equivalents

This represent cash in hand and cash deposited in bank accounts (current) by the Company.

Amount in \$

75,301

#### 5 Accounts receivable

Opening balance	3,946
Net movement during the period	17,244
Closing balance	21,190

#### 6 Prepaid expenses

Opening balance	4,186
Net movement during the period	20,721
Closing balance	24,907

#### 7 Long term receivables

The long term receivable includes amount which is due after a period of 5 years.

#### 8 Intangible assets - Allied / ECO

Opening balance	-
Net movement during the period	-
Closing balance	-

#### 9 Trade and other payables

Opening balance	-
Net movement in liabilities during the period	-
Closing balance	-

#### 10 Contingencies and Commitments

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As at the end of current reporting period, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of operations and there are no proceedings in which any directors, officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to the Company's interest.

The Company has not issued any stock based compensation or any derivatives. The common share structure remains undisturbed since 2012 year end. The Company has made no provisions to recapitalize increase / decrease the common share structure in any manner whatsoever.

Chief Executive

Director