



**SOCIAL MEDIA GATEWAYS, INC.**

**FINANCIAL STATEMENTS**

For the Calendar year ended December 31, 2019  
(Unaudited)

**SOCIAL MEDIA GATEWAYS, INC.**

**Balance Sheets**

As of December 31  
2019

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	4,266.00
Prepaid expenses		0.00
Accounts receivable		14,000.00
Intangible assets		339,924.00

TOTAL CURRENT ASSETS 

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 358,190.00

TOTAL ASSETS 

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 358,190.00

**LIABILITIES AND SHAREHOLDERS EQUITY**

**CURRENT LIABILITIES**

Accounts payable	\$	17,400.00
Long term debt		327,200.00

TOTAL LIABILITIES 

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 344,600.00

**SHAREHOLDERS' EQUITY**

Capital Stock (20,000,000 shares authorized, 13,589,869 shares - issued and outstanding. \$0.0010 par value) 13,590.00

Additional Paid in Capital -

TOTAL LIABILITIES AND SHAREHOLDERS EQUITY 358,190.00

**SOCIAL MEDIA GATEWAYS, INC.**

**Statement of Operations**

	<u>2019</u>
<b>ASSETS</b>	
<b>Current Income</b>	
Revenue	\$ 47,630
Cost of Goods Sold	30,000
<b>Gross Profit</b>	<hr/> 17,630
<b>Operating Expenses</b>	
Marketing	\$ 1,267
Professional Fees & Contract Labor	20,866
Office & Software	39,868
Equipment	1,013
Utilities	5,700
Travel	16,096
<b>Net Income</b>	<hr/> -67,180

**SOCIAL MEDIA GATEWAYS, INC.**  
**Consolidated Statement of Equity**

	<u>COMMON STOCK</u>		<u>PREFERRED STOCK</u>		<u>Paid-In Capital</u>	<u>(Accumulated Deficit)</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
<b>Additional Retained Earnings</b>							
<b>BEGINNING BALANCE, APRIL 25, 2012 (INCEPTION)</b>	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
Contributions	10,250,000	10,250	3,339,870	2,784,500			2,794,750
Other comprehensive gain/(loss)	-	-	-	-	-	-	-
Net Income	-	-	-	-	-	(67,180)	(67,180)
<b>ENDING BALANCE, DECEMBER 31, 2020</b>	<b><u>10,250,000</u></b>	<b><u>10,250</u></b>	<b><u>3,339,870</u></b>	<b><u>2,784,500</u></b>	-	(67,180)	2,727,570

**SOCIAL MEDIA GATEWAYS, INC.**

**Statement of Cashflows**

	<b><u>2019</u></b>
<b>Cash Flows From Operating Activities</b>	
Net Income (Loss) for the period	\$ (67,180.00)
Change in prepaid expenses	-
Change in Payables	-
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<b>Net Cash Flows From Operating Activities</b>	<b>(67,180.00)</b>
<b>Cash Flows From Financing Activities</b>	
Business and personal grants	\$ -
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<b>Net Cash Flows From Financing Activities</b>	<b>-</b>
<b>Cash at Beginning of Period</b>	\$ 25,350.88
<b>Net Increase (Decrease) In Cash</b>	29,616
<b>Cash at End of Period</b>	4,266
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## **SOCIAL MEDIA GATEWAYS, INC.**

### **NOTES TO THE FINANCIAL STATEMENTS**

Fiscal Years Ended December 31, 2019

#### **1. ORGANIZATION AND PURPOSE**

Social Media Gateways, Inc. (the “Company”), is a corporation organized under the laws of the State of Delaware. The Company operates enterprise loyalty, payment, remittance and mobile business software services platforms and derives revenue from advertising, hosting content and fulfillment of information technology services.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Company’s significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

##### **a) Basis of Accounting**

The Company prepares its financial statements on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

##### **b) Calendar Year**

The Company operates on a 54-week calendar year ending on December 31.

##### **c) Cash Equivalents**

Cash and cash equivalents include cash and short-term highly liquid investments with an original maturity of three months or less held in domestic financial institutions. For the financial years ended December 31, 2019, the Company’s cash positions include its operating bank account.

##### **d) Legal Fees**

Legal fees consist of legal services provided for the creation of the Company and equity financing.

##### **c) Use of Estimates**

The preparation of financial statements requires the management team to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **3. SUBSEQUENT EVENT**

The Company has evaluated events and transactions subsequent to the period. No events require recognition in the financial statements or disclosures of the Company per the definitions and requirements of ASC Section 855-10, Subsequent Events.