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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **January 31, 2020**

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: **000-55036**

VALUESETTERS INC.

(Exact name of registrant as specified in its charter)

Utah

(State or other jurisdiction of incorporation
or organization)

87-0409951

(I.R.S. Employer
Identification No.)

**745 Atlantic Avenue
Boston MA 02111**

(Address of principal executive offices)

(781) 925-1700

(Registrant's telephone number, including area code)

Indicate by check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of March 16, 2020, the Company had 830,956,712 shares of its common stock, par value \$0.001 per share, issued and outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

VALUESETTERS, INC.

Condensed Consolidated Balance Sheets

	January 31, 2020 (Unaudited)	April 30, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,930	\$ 19,110
Accounts receivable	—	6,000
Contract assets	—	15,000
Prepaid expenses	465,555	25,699
Total current assets	469,485	65,809
Non-current prepaid expenses	266,214	—
Deposits	6,300	6,300
Investments at cost	2,058,113	647,317
Total assets	\$ 2,800,112	\$ 719,426
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable		
Trade	\$ 278,752	\$ 278,752
Related party	16,680	16,680
Accrued expenses	118,413	131,155
Deferred revenue	625	15,711
Current portion of long-term secured related party note	1,000,000	—
Notes payable – related parties	71,800	76,100
Interest payable – related parties	36,285	24,102
Loan payable – bank	34,324	34,324
Demand notes payable	7,860	7,860
Total current liabilities	1,564,739	584,684
Long-term secured note payable to related party	—	1,000,000
Total liabilities	1,564,739	1,584,684
Commitments and Contingencies		
	—	—
Stockholders' equity (deficit):		
Common stock, \$.001 par value; 900,000,000 shares authorized, 830,956,712 and 752,519,212 shares issued and outstanding at January 31, 2020 and April 30, 2019, respectively	830,957	752,519
Capital in excess of par value	2,309,449	1,449,356
Accumulated deficit	(1,905,033)	(3,067,133)
Total stockholders' equity (deficit)	1,235,373	(865,258)
Total liabilities and stockholders' equity (deficit)	\$ 2,800,112	\$ 719,426

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Nine Months Ended January 31, 2020	January 31, 2019	For the Three Months Ended January 31, 2020	January 31, 2019
Revenues	\$ 1,593,130	\$ 281,995	\$ 757,405	\$ 121,355
Cost of revenues	8,210	26,337	3,362	13,634
Gross profit	<u>1,584,920</u>	<u>255,658</u>	<u>754,043</u>	<u>107,721</u>
Costs and expenses:				
Stock-based compensation	232,461	48,744	123,930	12,197
Consulting fees	87,400	119,000	7,200	51,700
Marketing	9,665	15,273	3,063	4,303
Rent	38,050	38,709	12,329	12,877
Selling, general and administrative	40,941	38,889	7,658	9,096
Total costs and expenses	<u>408,517</u>	<u>260,615</u>	<u>154,180</u>	<u>90,173</u>
Income (loss) from operations	<u>1,176,403</u>	<u>(4,957)</u>	<u>599,863</u>	<u>17,548</u>
Other income (expense):				
Interest expense	(14,303)	(14,814)	(4,689)	(5,157)
Other income	—	4,600	—	—
Total other income (expense)	<u>(14,303)</u>	<u>(10,214)</u>	<u>(4,689)</u>	<u>(5,157)</u>
Net income (loss) before taxes	1,162,100	(15,171)	595,174	12,391
Income tax	—	—	—	—
Net income (loss)	<u>\$ 1,162,100</u>	<u>\$ (15,171)</u>	<u>\$ 595,174</u>	<u>\$ 12,391</u>
Basic earnings (loss) per share	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Diluted earnings (loss) per share	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Weighted average number of common shares outstanding:				
Basic	<u>804,568,578</u>	<u>739,049,963</u>	<u>830,647,609</u>	<u>746,894,212</u>
Diluted	<u>804,568,578</u>	<u>739,049,963</u>	<u>830,647,609</u>	<u>746,894,212</u>

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
For the Nine Months Ended January 31, 2020 and the Year Ended April 30, 2019
(Unaudited)

	Shares	Amount	Capital in Excess of Par Value	Accumulated Deficit	Total Equity (Deficit)
Balance, April 30, 2018	731,694,210	\$ 731,694	\$ 1,434,328	(3,650,013)	(1,483,991)
Net loss, July 31, 2018	—	—	—	(7,207)	(7,207)
Q1 stock-based compensation	3,937,501	3,938	2,757	—	6,695
Q1 stock issued for purchase	200,000	200	500	—	700
Balance, July 31, 2018	735,831,711	735,832	1,437,585	(3,657,220)	(1,483,803)
Net loss, October 31, 2018	—	—	—	(20,355)	(20,355)
Q2 stock-based compensation	8,262,501	8,262	3,946	—	12,208
Q2 sale of common stock	2,800,000	2,800	2,200	—	5,000
Balance, October 31, 2018	746,894,212	746,894	1,443,731	(3,677,575)	(1,486,950)
Net income, January 31, 2019	—	—	—	12,391	12,391
Q3 stock-based compensation	2,812,500	2,813	562	—	3,375
Balance, January 31, 2019	749,706,712	749,707	1,444,293	(3,665,184)	(1,471,184)
Net income, April 30, 2019	—	—	—	598,051	598,051
Q4 stock-based compensation	2,812,500	2,812	5,063	—	7,875
Balance, April 30, 2019	752,519,212	752,519	1,449,356	(3,067,133)	(865,258)
Net income, July 31, 2019	—	—	—	24,475	24,475
Q1 stock-based compensation	2,812,500	2,813	16,875	—	19,688
Balance, July 31, 2019	755,331,712	755,332	1,466,231	(3,042,658)	(821,095)
Net income, October 31, 2019	—	—	—	542,451	542,451
Q2 stock-based compensation	75,312,500	75,312	842,031	—	917,343
Balance, October 31, 2019	830,644,212	830,644	2,308,262	(2,500,207)	638,699
Net income, January 31, 2020	—	—	—	595,174	595,174
Q3 stock-based compensation	312,500	313	1,187	—	1,500
Balance, January 31, 2020	<u>830,956,712</u>	<u>\$ 830,957</u>	<u>\$ 2,309,449</u>	<u>(1,905,033)</u>	<u>\$ 1,235,373</u>

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended January 31, 2020	Nine Months Ended January 31, 2019
Operating activities		
Net income (loss)	\$ 1,162,100	\$ (15,171)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	232,461	48,744
Changes in non-cash working capital balances		
Accounts receivable	6,000	(35,000)
Contracts receivable	15,000	—
Investments from services	(1,410,796)	
Accounts payable	—	(235)
Interest payable – related party	12,183	
Accrued expenses	(12,742)	(3,426)
Deferred revenue	(15,086)	54,975
Cash provided by (used in) operating activities	<u>(10,880)</u>	<u>49,887</u>
Financing activities		
Payments on bank loan	—	(3,743)
Payment on related party note	(4,300)	—
Payments on demand note	—	(7,000)
Proceeds from sale of common stock	—	5,000
Cash used in financing activities	<u>(4,300)</u>	<u>(5,743)</u>
Increase (decrease) in cash and cash equivalents during the period	(15,180)	44,144
Cash and cash equivalents, beginning of the period	19,110	1,655
Cash and cash equivalents, end of the period	<u>\$ 3,930</u>	<u>\$ 45,799</u>
Cash paid for:		
Interest	<u>\$ 2,120</u>	<u>\$ 5,461</u>
Income taxes	<u>\$ —</u>	<u>\$ —</u>
Supplemental non-cash disclosures		
Common stock issued as prepaid compensation	<u>\$ 915,000</u>	<u>\$ —</u>

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.

Notes To Condensed Consolidated Financial Statements (Unaudited)

Note 1 – Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) for quarterly reports on Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine-and three-month periods ended January 31, 2020, are not necessarily indicative of the results that may be expected for the fiscal year ended April 30, 2020. For further information, refer to the audited financial statements and footnotes thereto in our Annual Report on Form 10-K for the year ended April 30, 2019.

Note 2 – Going Concern Matters and Realization of Assets

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. However, in prior years, the Company sustained losses from its continuing operations and as of January 31, 2020, had negative working capital of \$1,095,254 and an accumulated deficit of \$1,905,033. In addition, the Company may not be able to meet its obligations as they become due and sustain its operations. The Company believes that its existing cash resources are not sufficient to fund its debt payments and working capital requirements.

The Company may not be able to raise sufficient additional debt, equity or other cash on acceptable terms, if at all. Failure to generate sufficient revenues, achieve certain other business plan objectives or raise additional funds could have a material adverse effect on the Company’s results of operations, cash flows and financial position, including its ability to continue as a going concern, and may require it to significantly reduce, reorganize, discontinue or shut down its operations.

In view of the matters described above, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company which, in turn, is dependent upon the Company’s ability to meet its financing requirements on a continuing basis, and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in its existence.

Management’s plans include:

1. Seek to raise debt or equity for working capital purposes and to pay off existing debt balances. With sufficient additional cash available to the Company, it can begin to make marketing expenditures and hire people to generate more revenues to pay down its debt obligations.
2. Continue to look for software niches and other digital products that can be sold via an Internet-based store. Various acquisition opportunities may help us generate the additional revenues we seek.
3. Continue to provide advisory services to companies seeking to raise capital and assist them with capital raises.

Management has determined, based on its recent history and its liquidity issues that it is not probable that management’s plan will sufficiently alleviate or mitigate, to a sufficient level, the relevant conditions or events noted above. Accordingly, the management of the Company has concluded that there is substantial doubt about the Company’s ability to continue as a going concern within one year after the issuance date of these financial statements.

There can be no assurance that the Company will be able to achieve its business plan objectives or be able to achieve or maintain cash-flow-positive operating results. If the Company is unable to generate adequate funds from operations or raise sufficient additional funds, the Company may not be able to repay its existing debt, continue to operate its business network, respond to competitive pressures or fund its operations. As a result, the Company may be required to significantly reduce, reorganize, discontinue or shut down its operations. The financial statements do not include any adjustments that might result from this uncertainty.

Note 3 – Revenue Recognition

Revenue Recognition under ASC 606

The Company recognizes service revenue from its consulting contracts and its game website using the five-step model as prescribed by ASC 606:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies a performance obligation.

The Company identifies performance obligations in contracts with customers, which primarily are professional services and subscription services. The transaction price is determined based on the amount the Company expects to be entitled to receive in exchange for transferring the promised services to the customer. The transaction price in the contract is allocated to each distinct performance obligation in an amount that represents the relative amount of consideration expected to be received in exchange for satisfying each performance obligation. Revenue is recognized when performance obligations are satisfied. The Company usually bills its customers before it provides any services, and begins performing services after the first payment is received. Contracts are typically one year or less. For larger contracts, in addition to the initial payment, the Company may allow for progress payments throughout the term of the contract.

Judgments and Estimates

The estimation of variable consideration for each performance obligation requires the Company to make subjective judgments. The Company enters into contracts with customers that regularly include promises to transfer multiple services, such as digital marketing, web-based videos, offering statements, and professional services. For arrangements with multiple services, the Company evaluates whether the individual services qualify as distinct performance obligations. In its assessment of whether a service is a distinct performance obligation, the Company determines whether the customer can benefit from the service on its own or with other readily available resources, and whether the service is separately identifiable from other services in the contract. This evaluation requires the Company to assess the nature of each individual service offering and how the services are provided in the context of the contract, including whether the services are significantly integrated, highly interrelated, or significantly modify each other, which may require judgment based on the facts and circumstances of the contract.

When agreements involve multiple distinct performance obligations, the Company allocates arrangement consideration to all performance obligations at the inception of an arrangement based on the relative standalone selling prices (“SSP”) of each performance obligation. Where the Company has standalone sales data for its performance obligations which are indicative of the price at which the Company sells a promised service separately to a customer, such data is used to establish SSP. In instances where standalone sales data is not available for a particular performance obligation, the Company estimates SSP by the use of observable market and cost-based inputs. The Company continues to review the factors used to establish list price and will adjust standalone selling price methodologies as necessary on a prospective basis.

Service Revenue

Service revenue from subscriptions to the Company's game website is recognized over time on a ratable basis over the contractual subscription term beginning on the date that the platform is made available to the customer. Payments received in advance of subscription services being rendered are recorded as a deferred revenue. Professional services revenue is recognized over time as the services are rendered.

The Company accepts cash payments and equity payments from its customers for professional service revenue. In instances in which a customer pays all or part of its fee with equity, the company values the equity component at the most current trading price of the equity received. In the nine months ended January 31, 2020, two customers, Deuce Drones LLC and Kingscrowd LLC traded on netcapital.com at \$0.35 per unit and \$1.80 per unit, respectively. A third customer, Netcapital Systems LLC, is valued based on an arms-length private sale of its units. In the nine-months ended January 31, 2019 there were no instances in which professional services revenues were recorded in exchange for equity. If a customer pays for professional services with equity, and the Company is unable to document a market price for the equity received, no revenue is recorded, and the value of the equity received is recorded at zero dollars.

When a contract with a customer is signed, the Company assesses whether collection of the fees under the arrangement is probable. The Company estimates the amount to reserve for uncollectible amounts based on the aging of the contract balance, current and historical customer trends, and communications with its customers. These reserves are recorded as operating expenses against the contract asset (Accounts Receivable).

Contract Assets

Contract assets are recorded for those parts of the contract consideration not yet invoiced but for which the performance obligations are completed. The revenue is recognized when the customer receives services. Contract assets are included in other current or non-current assets in the consolidated balance sheets, depending on if their reduction will be recognized during the succeeding twelve-month period or beyond.

Deferred Revenue

Deferred revenues represent billings or payments received in advance of revenue recognition and is recognized upon transfer of control. Balances consist primarily of annual plan subscription services and professional and training services not yet provided as of the balance sheet date. Deferred revenues that will be recognized during the succeeding twelve-month period are recorded as current deferred revenues in the consolidated balance sheets, with the remainder recorded as other non-current liabilities in the consolidated balance sheets.

Costs to Obtain a Customer Contract

Sales commissions and related expenses are considered incremental and recoverable costs of acquiring customer contracts. These costs are capitalized as other current or non-current assets and amortized on a straight-line basis over the life of the contract, which approximates the benefit period. The benefit period was estimated by taking into consideration the length of customer contracts, technology lifecycle, and other factors. All sales commissions are recorded as consulting fees within the Company's consolidated statement of operations.

Remaining Performance Obligations

The Company's subscription terms are typically less than one year. All of the Company's revenues in the nine-month periods ended January 31, 2020 and 2019, which amounted to \$1,593,130 and \$281,995, respectively, and all of the Company's revenues in the three-month periods ended January 31, 2020 and 2019, which amounted to \$757,405 and \$121,355, respectively, are considered contract revenues. Contract revenue as of January 31, 2020 and April 30, 2019, which has not yet been recognized, amounted to \$625 and \$15,711, respectively, and is recorded on the balance sheet as deferred revenue. The Company expects to recognize revenue on all of its remaining performance obligations over the next 12 months.

Note 4 – Earnings (Loss) Per Common Share

Earnings (loss) per common share data was computed as follows:

	Nine Months Ended January 31, 2020	Nine Months Ended January 31, 2019	Three Months Ended January 31, 2020	Three Months Ended January 31, 2019
Net income (loss) attributable to common stockholders – basic	\$ 1,162,100	\$ (15,171)	\$ 595,174	\$ 12,391
Adjustments to net income (loss)	—	—	—	—
Net income (loss) attributable to common stockholders – diluted	<u>\$ 1,162,100</u>	<u>\$ (15,171)</u>	<u>\$ 595,174</u>	<u>\$ 12,391</u>
Weighted average common shares outstanding – basic	804,568,578	739,049,963	830,647,609	746,894,212
Effect of dilutive securities	—	—	—	—
Weighted average common shares outstanding – diluted	<u>804,568,578</u>	<u>739,049,963</u>	<u>830,647,609</u>	<u>746,894,212</u>
Earnings (loss) per common share – basic	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>
Earnings (loss) per common share – diluted	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>

For the nine- and three-month periods ended January 31, 2020, the Company had no outstanding securities that were convertible into common stock. For the nine- and three-month periods ended January 31, 2019, the Company excluded 18,000,000 shares of common stock, issuable upon the exercise of outstanding stock options from the calculation of net loss per share because the effect would be anti-dilutive.

Note 5 – Principal Financing Arrangements

The following table summarizes components of debt as of January 31, 2020 and April 30, 2019:

	January 31, 2020	April 30, 2019	Interest Rate
Secured lender (affiliate)	\$ 1,000,000	\$ 1,000,000	1.25%
Notes payable – related parties	71,800	76,100	0.0 – 8.0 %
Demand notes payable	7,860	7,860	0.0%
Loan payable – bank	34,324	34,324	5.5 – 7.0%
Total Debt	<u>\$ 1,113,984</u>	<u>\$ 1,118,284</u>	

As of January 31, 2020 and April 30, 2019, the Company owed its principal lender (“Lender”) \$1,000,000 under a loan and security agreement (“Loan”) dated April 28, 2011, that was amended on July 26, 2014 and again on October 31, 2017. The Lender is also the largest shareholder of the Company, owning 271,371,454 shares of common stock, or 32.7% of the 830,956,712 shares issued and outstanding, as of January 31, 2020.

The Loan was amended on October 31, 2017 to change the maturity date to October 31, 2020, reduce the interest rate from 8% to 1.25% per annum, and reduce the default interest rate from 15% to 8% per annum (the "Amendments"). In conjunction with the Amendments, the Lender also agreed to reduce the total debt and accrued interest payable by \$453,031 to \$1,000,000, in exchange for the Company issuing to the Lender 44,198,246 shares of its common stock. Consequently, upon issuance of the 44,198,246 shares, the Company recorded an increase of \$44,198 in common stock and \$408,833 in capital in excess of par value.

In connection with the financing, the Company has agreed to certain restrictive covenants, including, among others, that the Company may not convey, sell, lease, transfer or otherwise dispose of any part of its business or property, except as permitted in the agreement, dissolve, liquidate or merge with any other party unless, in the case of a merger, the Company is the surviving entity, incur any indebtedness except as defined in the agreement, create or allow a lien on any of its assets or collateral that has been pledged to the Lender, make any loans to any person, except for prepaid items or deposits incurred in the ordinary course of business, or make any material capital expenditures. To secure the payment of all obligations to the Lender, the Company granted to the Lender a continuing security interest and first lien on all of the assets of the Company.

As of January 31, 2020 and April 30, 2019, the Company's related-party unsecured notes payable totaled \$71,800 and \$76,100, respectively. The Company also owes \$34,324 as of January 31, 2020 and April 30, 2019 to Chase Bank. Currently, the Company pays no monthly principal payments on the outstanding balance. The Company pays a variable monthly interest expense, which is calculated at a rate of 7.0% per annum at January 31, 2020.

The debt to Chase Bank was personally guaranteed by a former Chief Executive Officer and Chairman of the Board (the "Former CEO"). The Former CEO sold shares of the Company to a third-party, and in addition to payments to the Former CEO, the contract of sale required the third-party make monthly payments to Chase Bank to pay down the money owed to Chase Bank. Total payments received from the third-party in the nine and three months ended January 31, 2019 amounted to \$4,600 and \$0, respectively. These payments were recorded as other income. No such payments were made in fiscal 2020.

Demand notes payable totaled \$7,860 at January 31, 2020 and April 30, 2019, and do not bear interest.

Note 6 – Income Taxes

At January 31, 2020 and April 30, 2019, the Company had net operating loss carryforwards for Federal income tax purposes of approximately \$1,300,000 expiring in the years of 2020 through 2035. Utilization of the net operating losses may be subject to annual limitations provided by Section 382 of the Internal Revenue Code and similar State provisions.

The Tax Cuts and Jobs Act ("Tax Act") was enacted on December 22, 2017. Among numerous provisions, the Tax Act reduces the U.S. federal corporate tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred, and creates new taxes on certain foreign sourced earnings. As a result of the Tax Act, the Company remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%.

Due to the availability of a tax loss carryforward to offset any potential tax, for the nine-and three-month periods ended January 31, 2020, and for the three-month period ended January 31, 2019, the Company recorded no income tax expense in either of these periods. Due to the loss for the nine-month period ended January 31, 2019, the Company has recorded no income tax expense in such period. The Company is currently open to audit under the statute of limitations by the federal and state jurisdictions for the years ended April 30, 2017 through 2019.

Note 7 – Related Party Transactions

The Company's largest shareholder is also its principal lender. As of January 31, 2020 and April 30, 2019, the Company owed its largest shareholder, under a secured lending agreement, \$1,000,000. Under the existing loan agreement, as amended, the maximum amount of the loan is \$1,250,000, and the loan matures on October 31, 2020. The largest shareholder of the Company owns 271,371,454 shares of common stock, or 32.7% of the 830,956,712 shares issued and outstanding.

Compensation to officers in the nine-month periods ended January 31, 2020 and 2019 consisted of common stock valued at \$145,684 and \$77,750, respectively, and cash payments of \$62,000 and \$90,000, respectively. Compensation to officers in the three-month periods ended January 31, 2020 and 2019 consisted of common stock valued at \$77,750 and \$3,375 respectively, and cash payments of \$0 and \$30,000, respectively.

In the nine-month periods ended January 31, 2020 and 2019 the Company remitted cash payments to a related party consultant of \$21,000 and \$2,200, respectively, and cash payments of \$4,800 and \$1,200 for the three-month periods ended January 31, 2020 and 2019, respectively. Stock-based compensation to this consultant was recorded at \$30,539 and \$19,063 for the nine-and three-month period ended January 31, 2020 and \$0 for the nine-and three-month periods ended January 31, 2019.

The Company owes related party debt of \$71,800 and \$76,100 as of January 31, 2020 and April 30, 2019, respectively. The related party debt consists of notes, with annual interest rates of 8%, payable to a company controlled by one of our directors, in the amounts of \$56,800 and \$61,100 as of January 31, 2020 and April 30, 2019, respectively, and a non-interest bearing note payable to a second director of \$15,000 as of January 31, 2020 and April 30, 2019. The Company also owes the second director \$16,680 as of January 31, 2020 and April 30, 2019, which is recorded as accounts payable.

Accrued interest payable on related party debt amounted to \$36,285 and \$24,102 at January 31, 2019 and April 30, 2019, respectively.

Note 8 – Stockholders' Equity

The Company is authorized to issue 900,000,000 shares of its common stock, par value \$0.001. 830,956,712 and 752,519,212 shares were outstanding as of January 31, 2020 and April 30, 2019, respectively.

In the quarter ended July 31, 2019, the Company issued an aggregate of 2,812,500 shares of restricted stock to its Chief Executive Officer, Chief Financial Officer and chief marketing officer as compensation. The shares were valued at \$19,688.

On September 9, 2019, the Company signed a stock-based compensation agreement, ending on July 31, 2021, with its Chief Executive Officer. The Company issued 25 million shares of its common stock in conjunction with this agreement. The shares were valued at \$305,000.

On September 9, 2019, the Company signed a stock-based compensation agreement with its Chief Financial Officer, ending on July 31, 2021. The Company issued 25 million shares of its common stock in conjunction with this agreement. The shares were valued at \$305,000.

On September 9, 2019, the Company signed stock-based compensation agreements with two consultants, ending on July 31, 2021. The Company issued 12,500,000 shares of its common stock to each consultant in conjunction with these agreements. The total number of shares issued was valued at \$305,000. One of the consultants is considered a related party and provides marketing and business development services to the Company. The second consultant provides business services to public companies.

On October 31, 2019, the Company recorded the issuance of 312,500 shares of common stock to its Chief Marketing Officer. The shares were valued at \$2,343 and recorded as an expense in the quarter ended October 31, 2019.

On January 31, 2020, the Company recorded the issuance of 312,500 shares of common stock to its Chief Marketing Officer. The shares were valued at \$1,500 and recorded as an expense in the quarter ended January 31, 2020.

In the quarter ended July 31, 2018, the Company issued 200,000 restricted shares of stock in conjunction with the purchase of a virtual reality game known as SpaceoutVR. The Company also issued 3,937,501 restricted shares of common stock as part of stock-based compensation agreements. Shares issued for compensation amounted to 3,625,000 shares to Company officers, and 312,501 to a consultant.

In the quarter that ended on October 31, 2018, the Company sold \$5,000 of restricted common stock in a private placement and issued 2,800,000 shares of restricted stock. The Company also issued 8,262,501 restricted shares of common stock as part of stock-based compensation agreements. Shares issued for compensation amounted to 2,750,000 shares to Company officers, and 5,512,501 to three consultants.

Note 9 – Fair Value

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, we base fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is our policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows that could significantly affect the results of current or future value.

Note 10 – Stock-Based Compensation Plans

The Company entered various consulting agreements to issue common stock and options to purchase common stock and recorded the applicable non-cash expense in accordance with the authoritative guidance of the Financial Accounting Standards Board.

For the nine and three-month periods ended January 31, 2020, the Company recorded \$232,461 and \$123,930 respectively, in stock-based compensation expense.

For the nine and three-month periods ended January 31, 2019, the Company recorded \$48,744 and \$12,197 respectively, in stock-based compensation expense.

The components of the stock-based compensation expense are presented in the following table:

	Nine Months Ended January 31, 2020	Nine Months Ended January 31, 2019	Three Months Ended January 31, 2020	Three Months Ended January 31, 2019
Stock-based compensation expense				
Chief Executive Officer	\$ 69,827	\$ 5,563	\$ 38,125	\$ 1,500
Chief Financial Officer	69,827	5,563	38,125	1,500
Chief Marketing Officer	6,030	1,437	1,500	375
Related party consultant	30,539	—	19,063	—
Sales consultants	—	9,715	—	—
Marketing consultant	25,699	26,466	8,054	8,822
Business consultant	30,539	—	19,063	—
Total stock-based compensation expense	<u>\$ 232,461</u>	<u>\$ 48,744</u>	<u>\$ 123,930</u>	<u>\$ 12,197</u>

At January 31, 2020, the total prepaid stock compensation amounted to \$731,769, as follows:

	January 31, 2020
Prepaid stock-based compensation	
Chief Executive Officer	\$ 243,923
Chief Financial Officer	243,923
Related party consultant	121,962
Business consultant	121,961
Total prepaid stock-based compensation expense	<u>\$ 731,769</u>

As of January 31, 2020, there was \$465,555 of current prepaid stock-based compensation expense and \$266,214 in non-current prepaid stock compensation expense for services that end on July 31, 2021. For each of the four compensation contracts, compensation expense is recognized on a straight-line basis over the life of the agreement, which is two years. In the event of a termination without cause, the remainder of the prepaid compensation would be expensed immediately.

Note 11 – Deposits and Commitments

The Company utilizes office space in Boston, Massachusetts, under a month-to-month lease agreement that allows the company to end its lease by providing 30-day written notice. The lease agreement includes a deposit of \$6,300. Effective May 1, 2019, the Company adopted ASU No. 2016-02 (“ASU 2016-02”), *Leases* using the modified retrospective transition approach utilizing the effective date as the date of initial application. The adoption of the ASU had no impact on the Company’s financial statements due to the short-term nature of the lease agreement.

Note 12 – Concentrations

For the Nine- and three-month periods ended January 31, 2020, the Company had one customer that constituted 44% and 92% of its revenues, respectively; a second customer that constituted 34% and 0% of its revenues, respectively; and a third customer that constituted 13% and 8% of its revenues, respectively.

For the nine- and three-month periods ended January 31, 2019, the Company had one customer that constituted 74% and 70% of its revenues, respectively.

Note 13 – Investments

During fiscal 2019, the Company entered into a consulting contract with NetCapital Systems LLC (“Netcapital”), which allows the Company to receive up to 1,000 membership interest units of NetCapital in return for consulting services. As of April 30, 2019, the Company had earned 709 membership interest units, and the remaining 291 units can be earned on a straight-line basis over the 14-month period ended June 30, 2020. At January 31, 2020, the Company had earned a total of 877 of the 1,000 units and owns 7.1% of Netcapital.

On January 2, 2020, the Company entered into a consulting contract with Deuce Drones LLC (“Drones”), which allows the Company to receive up to 2,350,000 membership interest units of Drones in return for consulting services. As of January 31, 2020, the Company had earned 2,000,000 membership interest units, and the remaining 350,000 units can be earned in exchange for marketing services over an anticipated period of three months. The Company owns approximately 17% of Drones at January 31, 2020.

In August 2019 the Company entered into a consulting contract with Kingscrowd LLC (“Kingscrowd”), which allowed the Company to receive up to 540,000 membership interest units of Kingscrowd in return for consulting services. All units have been earned. The Company owns approximately 18% of Kingscrowd at January 31, 2020.

The following table summarizes the components of investments as of January 31, 2020 and April 30, 2019:

	<u>January 31, 2020</u>	<u>April 30, 2019</u>
Netcapital	\$ 818,113	\$ 647,317
Deuce Drones	700,000	—
Kingscrowd	540,000	—
Total investments at cost	<u>\$ 2,058,113</u>	<u>\$ 647,317</u>

The above investments do not have a readily determinable fair value, as identified in ASC 321-10-35-2, and all investments are measured at cost less impairment. The Company monitors the investments for any changes in observable prices from orderly transactions. For the nine and three-month periods ended January 31, 2020 and 2019, the Company has not recorded any unrealized gains or losses for the above investments.

Note 14 – Subsequent Events

The Company evaluated subsequent events through the date these financial statements were available to be issued. Effective March 10, 2020, the Company hired a Director of Business Development and as part of her compensation package, she received a grant of 25,000,000 shares of common stock that vest on a monthly basis over a four-year period ending on February 29, 2024.

Pursuant to the standards of ASC 855-10-20, there were no other material subsequent events that required recognition or additional disclosure in these financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This quarterly report on Form 10-Q and other reports filed by the Company from time to time with the U.S. Securities and Exchange Commission (collectively, the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, the Company's management as well as estimates and assumptions made by Company's management. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. When used in the Filings, the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan," or the negative of these terms and similar expressions as they relate to the Company or the Company's management identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties, assumptions, and other factors. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our financial statements would be affected to the extent there are material differences between these estimates and actual results. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result. The following discussion should be read in conjunction with our financial statements and notes thereto appearing elsewhere in this report.

Overview

We are a boutique advisory firm, based in Boston, Massachusetts. Our team of experts, including entrepreneurs, angel investors, industry specialists and digital marketing professionals work with companies at all stages to provide assistance with capital raising, strategy, technology consulting and marketing.

We specialize in Regulation Crowdfunding ("Reg CF"), under the provisions of Title III of the JOBS Act of 2012. We believe that new capital raising techniques, such as Reg CF, democratize capital raising, similar to the way that social networks democratize broadcast mechanisms that once belonged only to traditional media. Reg CF is one of three securities exemptions that enable online capital formation. Reg D 506(c) allows an unlimited amount of money to be crowdfunded from accredited investors. Reg A+ enables an issuer to raise up to \$50 million online from anyone. Reg CF, the smallest of the crowdfunding exemptions, allows issuers to raise up to \$1.07 million from non-accredited investors every 12 months.

Our website lists select clients, which include Braidy Industries that raised \$2,493,054, Phoenix PharmaLabs that raised \$1,102,553, Court Innovations that raised \$499,000 and ORPC that raised \$623,678. This information is available at <https://valuesettters.com/track-record>.

We sometimes take equity stakes in promising technology start-ups. We play an active role in growing these companies.

Our limited operating history and the uncertain nature of our future operations and the markets we address or intend to address make prediction of our future results of operations difficult.

Results of Operations

For the Nine Months Ended January 31, 2020 Compared to the Nine Months Ended January 31, 2019

Our revenues for the nine months ended January 31, 2020 increased by \$1,311,135, or 465%, to \$1,593,130 as compared to \$281,995 reported for the nine months ended January 31, 2019. The increase in revenues is attributable to an increase in consulting services, and specifically to two new customers that accounted for 78% of our revenues, or \$1,240,000 in the nine months ended January 31, 2020. Given our limited staff we believe our sales efforts are best focused on a handful of large customers, rather than several small customers.

Stock-based compensation expense increased by \$183,717, or 377%, to \$232,461 for the nine months ended January 31, 2020, as compared to \$48,744 reported for the nine months ended January 31, 2019. The increase in expense is due to our decision to compensate our executives primarily with shares of stock, so we can preserve our cash resources.

Consulting fees decreased by \$31,600, or 27%, to \$87,400 for the nine months ended January 31, 2020, from \$119,000 for the nine months ended January 31, 2019. The decrease is primarily attributed to the increase in stock-based compensation, as we have asked our consultants and officers to accept the bulk of their compensation in stock and not in cash.

Selling, general and administrative expenses increased by \$2,052, or 5%, to \$40,941 for the nine months ended January 31, 2020, from \$38,889 for the nine months ended January 31, 2019. The increase is primarily attributed to increased levels of customer service and sales activity.

Interest expense of \$14,303 remained approximately the same for the nine-month period ended January 31, 2020, as compared to \$14,814 for the nine months ended January 31, 2019. Our debt balances were slightly lower at January 31, 2020 and compared to January 31, 2019.

For the Three Months Ended January 31, 2020 Compared to the Three Months Ended January 31, 2019

Our revenues for the three-months ended January 31, 2020 increased by \$636,050, or 524%, to \$757,405 as compared to \$121,355 reported for the three months ended January 31, 2019. The increase in revenues is attributable to an increase in consulting services, and specifically to a new customer that accounted for 92% of our revenues, or \$700,000 in the three months ended January 31, 2020.

Stock-based compensation increased by \$111,733, to \$123,930 for the three-months ended January 31, 2020 from \$12,197 reported in the three-months ended January 31, 2017. The increase in expense is primarily due to the increased number of shares and the higher price per share of our common stock when shares were issued as stock-based compensation in fiscal 2020, as compared to fiscal 2019.

Consulting fees decreased by \$44,500 to \$7,200 for the three-months ended January 31, 2020 from \$51,700 reported in the three-months ended January 31, 2019. The decrease occurred because we made no cash payments to our officers in the three months ended January 31, 2020.

Selling, general and administrative expenses of \$7,658 remained approximately the same for the three-month period ended January 31, 2020, as compared expenses of \$9,096 for the three months ended January 31, 2019.

Interest expense of \$4,689 was slightly lower for the three-month period ended January 31, 2020, as compared to \$5,157 for the three months ended January 31, 2019 due to slightly lower debt levels.

Liquidity and Capital Resources

At January 31, 2020, we had cash and cash equivalents of \$3,930 and negative working capital of \$1,095,254 as compared to cash and cash equivalents of \$19,110 and negative working capital of \$518,875 at April 30, 2019. The deterioration in our working capital was primarily the result of our \$1,000,000 secured related-party note, which matures on October 31, 2020, being classified as a current liability at January 31, 2019.

Net cash used in operating activities amounted to \$10,880 in the nine-months ended January 31, 2020, as compared to net cash provided by operating activities of \$49,887 in the nine-months ended January 31, 2019. The principal sources of cash from operating activities in the nine-months ended January 31, 2020 was net income of \$1,162,100 and stock-based compensation of \$232,461, but these sources were offset by an increase in investments of \$1,410,796. The principal use of cash from operating activities in the nine-months ended January 31, 2019 was the net loss of \$15,171, but it was offset by a non-cash item, stock-based compensation of \$48,744.

There was no investing activity in the nine-months ended January 31, 2020 and 2019.

For the nine months ended January 31, 2020, net cash used in financing activities amounted to \$4,300, which consisted of principal payments of outstanding related-party debt. For the nine months ended January 31, 2019, net cash used in financing activities amounted to \$5,743, which consisted of \$10,743 in principal payments of outstanding loans, offset by proceeds from the sale of common stock of \$5,000

In the nine months ended January 31, 2020 and 2019, there were no expenditures for capital assets. We do not anticipate any capital expenditures in fiscal 2020.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of our company as a going concern. However, we have very limited liquidity. Management anticipates that we will be dependent, for the near future, on additional capital to fund our operating expenses, debt service requirements and anticipated growth, which we intend to achieve through consulting services and the further development of our digital marketing applications. Although we are choosing methods of growth that potentially minimize the use of cash, and we were successful in generating net income for five consecutive quarters, we cannot be assured that we will be able to continue our success until we have secured customers that will provide us with repeat business. Furthermore, the most recent report of our independent registered public accounting firm expresses doubt about our ability to continue as a going concern. Although we have not had to borrow from a related party in fiscal 2020 or in fiscal 2019, in the past, our operating losses have been funded primarily through borrowings from related-party lenders.

We have only paid \$4,300 in principal and we have not paid interest on any related party debt; the interest accrues each month. We believe our related party creditors will not demand payment of our current liabilities to them, in the near future, although each lender may have a change in circumstances and demand payment. Any demand for payment from a related party will have an adverse impact on our ability to achieve our longer-term business objectives, and will adversely affect our ability to continue operating as a going concern.

We believe we have short-term financing available from our largest shareholder to fund a monthly cash-flow deficit, if needed. While we continually look for other financing sources, in the current economic environment, the procurement of outside funding is extremely difficult and there can be no assurance that such financing will be available, or, if available, that such financing will be at a price that will be acceptable to us. Failure to generate sufficient revenues or raise additional capital will have an adverse impact on our ability to achieve our longer-term business objectives and will adversely affect our ability to continue operating as a going concern.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide information under this item.

Item 4. Controls and Procedures.

(a) Disclosure Controls and Procedures.

The Company's management, with the participation of the Company's principal executive officer ("PEO") and principal financial officer ("PFO"), evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, the PEO and PFO concluded that, as of the end of such period, the Company's disclosure controls and procedures were not effective to ensure that information that is required to be disclosed by the Company in the reports it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to the Company's management, including the PEO and PFO, as appropriate, to allow timely decisions regarding required disclosure. The material weaknesses in our disclosure controls and procedures consisted of:

- There is a lack of accounting personnel with the requisite knowledge of Generally Accepted Accounting Principles in the US ("GAAP") and the financial reporting requirements of the SEC; and
- There are insufficient written policies and procedures to ensure the correct application of accounting and financial reporting with respect to the current requirements of GAAP and SEC disclosure requirements.

(b) Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 1A. Risk Factors.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide information under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the three-month period ended January 31, 2020, we issued 312,500 shares of common stock to our Chief Marketing Officer as stock-based compensation.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

31 [Rule 13a-14\(a\) Certification](#)

32 [Rule 13a-14\(b\) Certification](#)

101.INSXBRL Instance

101.SCHXBRL Schema

101.CAL XBRL Calculation

101.DEFBRL Definition

101.LABXBRL Label

101.PREXBRL Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 16, 2020

VALUESETTERS, INC.

By: /s/ Cecilia Lenk

Cecilia Lenk

Chairman of the Board and Chief Executive Officer

By: /s/ Coreen Kraysler

Coreen Kraysler

Principal Financial Officer

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 302 OF

THE SARBANES-OXLEY ACT OF 2002

I, Cecilia Lenk, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ValueSetters, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2020

By: /s/ Cecilia Lenk

Cecilia Lenk
Principal Executive Officer,
ValueSetters, Inc.

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 302 OF

THE SARBANES-OXLEY ACT OF 2002

I, Coreen Kraysler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ValueSetters, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2020

By: /s/ Coreen Kraysler

Coreen Kraysler
Principal Financial Officer
ValueSetters, Inc.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of ValueSetters Inc. (the "Company"), on Form 10-Q for the quarter ended January 31, 2019, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Cecilia Lenk, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the quarter ended January 31, 2019, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Quarterly Report on Form 10-Q for the quarter ended January 31, 2019, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2020

By: */s/ Cecilia Lenk*

Cecilia Lenk
Principal Executive Officer,
ValueSetters, Inc.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of ValueSetters Inc. (the "Company"), on Form 10-Q for the quarter ended January 31, 2019, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Coreen Kraysler, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (3) Such Quarterly Report on Form 10-Q for the quarter ended January 31, 2019, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (4) The information contained in such Quarterly Report on Form 10-Q for the quarter ended January 31, 2019, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2020

By: */s/ Coreen Kraysler*

Coreen Kraysler
Principal Financial Officer
ValueSetters, Inc.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.