Submission Data File

General Information	
Form Type*	10-K
Contact Name	
Contact Phone	
Filer Accelerated Status*	Not Applicable
Filer File Number	
Filer CIK*	0001414767 (ValueSetters Inc.)
Filer CCC*	**********
Filer is Shell Company*	N
Filer is Smaller Reporting Company	Yes
Filer is Voluntary Filer*	N
Filer is Well Known Seasoned Issuer*	N
Confirming Copy	No
Notify via Website only	No
Return Copy	No
SROS*	NONE
Depositor CIK	
Period*	04-30-2019
ABS Asset Class Type	
ABS Sub Asset Class Type	
Sponsor CIK	
Emerging Growth Company	No
Elected not to use extended transition period	No
(End General Information)	

Document Information	
File Count*	12
Document Name 1*	f2svstr10k080219.htm
Document Type 1*	10-K
Document Description 1	
Document Name 2*	f2svstr10k080219ex31_1.htm
Document Type 2*	EX-31.1
Document Description 2	
Document Name 3*	f2svstr10k080219ex31_2.htm
Document Type 3*	EX-31.2
Document Description 3	
Document Name 4*	f2svstr10k080219ex32_1.htm
Document Type 4*	EX-32.1
Document Description 4	
Document Name 5*	f2svstr10k080219ex32_2.htm
Document Type 5*	EX-32.2
Document Description 5	
Document Name 6*	vstr-20190430.xml
Document Type 6*	EX-101.INS
Document Description 6	XBRL Instance File
Document Name 7*	vstr-20190430.xsd
Document Type 7*	EX-101.SCH
Document Description 7	XBRL Schema File
Document Name 8*	vstr-20190430_cal.xml
Document Type 8*	EX-101.CAL
Document Description 8	XBRL Calculation File
Document Name 9*	vstr-20190430_def.xml
Document Type 9*	EX-101.DEF
Document Description 9	XBRL Definition File
Document Name 10*	vstr-20190430_lab.xml
Document Type 10*	EX-101.LAB
Document Description 10	XBRL Label File
Document Name 11*	vstr-20190430_pre.xml
Document Type 11*	EX-101.PRE
Document Description 11	XBRL Presentation File
Document Name 12*	vstr_1.jpg
Document Type 12*	GRAPHIC
Document Description 12	Graphic
(End Document Information)	

Notifications	

Notify via Website only	No
E-mail 1	gbindra@filing2sec.com
E-mail 2	gbindra@pacificstocktransfer.com
(End Notifications)	

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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: **April 30, 2019**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 000-55036

VALUESETTERS, INC.
(Exact name of registrant as specified in its charter)

Utah	**87-0409951**
(State or other jurisdiction of incorporation or organization)	(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)

Securities registered under Section 12(b) of the Exchange Act:

Title of each class Name of each exchange on which registered
None Not applicable

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value $0.001 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities 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 [X] No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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 [X] No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer [ ]   Accelerated filer [ ]   Non-accelerated filer [X]   Smaller reporting company [X]
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 [X]

The aggregate market value of registrant's voting and non-voting common equity held by non-affiliates (as defined by Rule 12b-2 of the Exchange Act) computed by reference to the average bid and asked price of such common equity on October 31, 2018 was $456,965.

As of August 5, 2019 the registrant has one class of common equity, and the number of shares outstanding of such common equity was 755,331,712.

Documents Incorporated By Reference: None.

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FORWARD-LOOKING STATEMENTS

We caution readers that this Form 10-K contains forward-looking statements as that term is defined in the Exchange Act. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other comparable terminology. We hereby qualify all our forward-looking statements by the following cautionary statements. Forward-looking statements are predictions and not guarantees of future performance or events. Forward-looking statements are based on current expectations rather than historical facts and relate to future events or future financial performance. Such statements are based on currently available financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from historical experience and present expectations. Our actual results could differ materially from those stated or implied by such forward-looking statements due to risks and uncertainties associated with our business. Undue reliance should not be placed on forward-looking statements as such statements speak only as of the date on which they are made. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Some of the factors that could affect our financial performance, cause actual results to differ from our estimates, or underlie such forward-looking statements, are set forth below and in various places in this Form 10-K, including under the headings Item 1. “Business” and Item 1A. “Risk Factors” in this Form 10-K. These factors include:

- our future capital needs and our ability to obtain financing;
- anticipated and unanticipated trends and conditions in our industry, including the impact of recent or future regulatory environment;
- recent and future economic conditions, including turmoil in the financial and credit markets;
- the effectiveness of our marketing to maintain existing and attract new customers;
- our ability to contain costs;
- our ability to predict consumer preferences and changes in trends, technology and consumer acceptance of both new designs and newly introduced products;
- changes in the costs of labor and advertising;
- our ability to carry out our business strategies;
- the level of consumer spending for gaming and entertainment;
- our ability to compete;
- general economic conditions; and
- other factors set forth in this Form 10-K.

You are cautioned that all forward-looking statements involve risks and uncertainties. We undertake no obligation to amend this Form 10-K or revise publicly these forward-looking statements (other than pursuant to reporting obligations imposed on registrants pursuant to applicable federal securities laws) to reflect subsequent events or circumstances.

ITEM 1. BUSINESS.

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 sometimes take equity stakes in promising technology start-ups. We play an active role in growing these companies by providing strategic advice, technology consulting, and help with capital raising.

In those cases where we take an equity stake in an early-stage company for which we consult, we do not always record the investment as an asset on our books. Our policy is to record the investment, based on the value of our services rendered, only in instances where the early-stage company begins generating revenues. If the early-stage company is unable to generate revenues by the time we file our periodic reports, we do not consider our consulting services as revenue to our company.

One such company that we own equity in, as a result of our consulting services, is NetCapital Systems LLC ("Netcapital"). This company owns a Title III JOBS Act funding portal, and as of today is one of only a few dozen FINRA approved crowdfunding portals allowed to list securities in startup companies to non-accredited investors, via the Internet. We continue to consult for Netcapital (see https://netcapital.com) and have invested in additional early-stage companies that we met through Netcapital by providing our consulting services.

In addition to the consulting we provide to Netcapital, we provide consulting services to some of our clients that utilize the Netcapital website to raise money from non-accredited and accredited investors. We believe we have been successful in providing advice and digital marketing services to our clients, who are allowed to advertise their fund raising, in conjunction with advertising provisions contained in the JOBS Act. During fiscal 2019, many high-tech firms have become our clients, including Braidy Industries, Inc., Phoenix PharmaLabs Inc, Vantem Global, LLC, Advanced Aesthetic Technologies, Inc., Ocean Renewable Power Company, Inc. and Centerline Biomedical. These companies have contributed to our growth this fiscal year and we expect that several of our current customers will continue to be a source of revenue generation in fiscal 2020.

Furthermore, we owned 12% of a company, KingsCrowd LLC, that recently raised the maximum amount it was seeking, $106,699, on the NetCapital portal. KingsCrowd was founded with the vision that everyone should have access to institutional grade research and analytics tools that enable informed startup investment decisions, regardless of investment experience.

We also consulted for Zelgor, a mobile phone game company, which builds massive multiplayer online social games on top of the real world map. It combines elements of classic arcade games and GPS technology, and ValueSetters currently owns 5% of Zelgor, which recently raised additional capital through the Netcapital platform. See http://www.zelgor.com.

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.

Development of Business

We were incorporated in the State of Utah in April 1984 under our previous name, DBS Investments, Inc. A change of control of our company occurred in December 2003 and we changed our name to Valuesetters, Inc., when we, in conjunction with a plan of reorganization, merged with Valuesetters L.L.C., an Arizona limited liability corporation.

When the operations of Valuesetters failed to generate enough revenue to sustain its business, we terminated operations and looked to invest in another business. In order to take advantage of the increasing game activities on the Internet, on November 23, 2010, we signed a contract to purchase all the assets of NetGames.com, a company that owned several websites and operated a small Internet-based chess game known as Chess.net. In conjunction with the purchase of this website, Vaxstar LLC became the largest owner of our company. Vaxstar LLC also provided a working capital facility to the Company and is our senior secured lender.

As noted above, in 2014, we began our consulting business, and we now own a portion of several companies as a result of our consulting work. Many of these businesses operate solely on the Internet and many use the Internet to raise capital. We believe the value of our ownership interests in several of these companies may be significant. However, over the past several years, we reduced our book value of these investments to zero, based upon asset impairment guidelines, and once an asset has been designated as impaired, it cannot be recorded at its market value.

In addition to the equity stakes we have earned, our consulting business has generated the bulk of our revenues in fiscal 2019.

Competition

We compete with a number of public and private companies, which provide consulting services, electronic commerce and/or Internet games. Most of our competitors have significant financial resources and occupy entrenched positions in the market with name-brand recognition. We also face challenges from new Internet sites that aim to attract subscribers who seek to play interactive games and obtain ratings and status for superior playing skills. Such companies may be able to attract significantly more subscribers because of new marketing ideas and new game concepts.

The barriers to entry into most Internet markets are relatively low, making them accessible to a large number of entities and individuals. We believe the principal competitive factors in our industry that create certain barriers to entry include but are not limited to reputation, technology, financial stability and resources, proven track record of successful operations, critical mass, and independent oversight and transparency of business practices. While these barriers will limit those able to enter or compete effectively in the market, it is likely that new competitors as well as laws and regulations of governmental authority will be established in the future, in addition to our known current competitors.

Increased competition from current and future competitors may in the future materially adversely affect our business, revenues, operating results and financial condition.

Industry Regulation

We are subject, both directly and indirectly, to various laws and regulations relating to our business. If any of the laws are amended, compliance could become more expensive and directly affect our income. We intend to comply with such laws, but new restrictions may arise that could materially adversely affect our Company.

Research and Development

We do not currently have a budget specifically allocated for research and development purposes.

Employees

As of July 31, 2019, we had four full-time employees.

We consider our corporate secretary, Mr. Avi Liss, to be an independent board member. Mr. Liss is an attorney with his own legal practice, and advises us on a non-compensated basis. We do not pay him a salary and we do not consider him an employee.

Corporate Information

We maintain a corporate website with the address http://www.valuesetters.com/ and our chess game maintains a website with the address http://www.chess.net/. We have not incorporated by reference into this Report on Form 10-K the information on any of our websites and you should not consider any of such information to be a part of this document. Our website addresses are included in this document for reference only.

We make available free of charge through our corporate website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments to these reports through a link to the EDGAR database as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the U.S. Securities and Exchange Commission (the “SEC”). You can also read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1.800.SEC.0330. In addition, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including all of our filings.

Item 1A. RISK FACTORS.

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information in this Form 10-K before investing in our common stock. If any of the following risks occur, our business, operating results and financial condition could be seriously harmed.

We have a limited operating history that you can use to evaluate us, and the likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered by a small developing company.

We were incorporated in the State of Utah in April 1984. We have limited revenues to date and no significant financial resources. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered by a small developing company starting a new business enterprise and the highly competitive environment in which we will operate. Since we have a limited operating history, we cannot assure you that our business will maintain profitability.

We will require financing to achieve our current business strategy and our inability to obtain such financing could prohibit us from executing our business plan and cause us to slow down our expansion of operations.

We will need to raise additional funds through public or private debt or sale of equity to achieve our current business strategy. Such financing may not be available when needed. Even if such financing is available, it may be on terms that are materially adverse to your interests with respect to dilution of book value, dividend preferences, liquidation preferences, or other terms. No assurance can be given that such funds will be available or, if available, will be on commercially reasonable terms satisfactory to us. There can be no assurance that we will be able to obtain financing if and when it is needed on terms we deem acceptable. If we are unable to obtain financing on reasonable terms, we could be forced to delay or scale back our plans for expansion. In addition, such inability to obtain financing on reasonable terms could have a material adverse effect on our business, operating results, or financial condition.

Our auditor has expressed substantial doubt as to our ability to continue as a going concern.

Based on our financial history since inception, our auditor has expressed substantial doubt as to our ability to continue as a going concern. At April 30, 2019, we had accumulated losses of $3,067,133. We expect we may incur further losses in the development of our business, all of which casts substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our ability to generate future profitable operations and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. Management anticipates that additional funding will be in the form of equity financing from the sale of common stock. Management may also seek to obtain short-term loans from the directors of our company or from our largest shareholder. There are no current arrangements in place for equity funding and our largest shareholder may not be able to provide us with enough working capital via short-term loans. If we cannot generate sufficient revenues from our services or seek additional funding we may have to delay the implementation of our business plan.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain executive management and qualified board members.

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, and other applicable securities rules and regulations. Compliance with these rules and regulations increases our legal and financial compliance costs, makes some activities more difficult, time-consuming or costly and increases demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, and such attention could adversely affect our business and operating results. We may need to hire more employees in the future or engage outside consultants who will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors.

We may need to raise additional funds through public or private debt or sale of equity to pay for the costs we incur as a public company. Such financing may not be available when needed. Even if such financing is available, it may be on terms that are materially adverse to your interests with respect to dilution of book value, dividend preferences, liquidation preferences, or other terms. No assurance can be given that such funds will be available or, if available, will be on commercially reasonable terms satisfactory to us. There can be no assurance that we will be able to obtain financing if and when it is needed on terms we deem acceptable. If we are unable to obtain financing on reasonable terms, we could be forced to discontinue our public reporting.

As a result of disclosure of information in this report and in future filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and operating results.

We are dependent on a small number of individuals who occupy all corporate positions. Given our lack of employees and executive officers, it may not be possible for us to have adequate internal controls, and we believe that we have material weaknesses in internal controls.

Many of the key responsibilities of our business have been assigned to two individuals. Our ability to implement adequate internal controls depends, in part, on our ability to attract trained professional staff that allows us to segregate duties among several individuals.

The Company's management has evaluated the effectiveness of its internal control over financial reporting as of April 30, 2019 based on the criteria established in a report entitled "2013 - Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission" and the interpretive guidance issued by the Commission in Release No. 34-55929. Based on this evaluation, the Company's management has evaluated and concluded that the Company's internal control over financial reporting was ineffective as of April 30, 2019 and continues to be ineffective as of today, and identified the following material weaknesses:

- 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 insure the correct application of accounting and financial reporting with respect to the current requirements of GAAP and SEC disclosure requirements.

The lack of sufficient internal controls and the time and cost of implementing such controls could delay the development and introduction of, and negatively impact our ability to sell our services, which could adversely affect our financial results and impair our growth.

To help compensate for the lack of full-time employees, the Company also uses outside consultants. We have accounting consultants, acquisition consultants, and sales and marketing consultants for project purposes on a part time basis; three advisors assist us with project evaluations and business development, information and research, technical writing and presentation. At the present time the Company does not have long-term employment agreements with any personnel and does not maintain any life insurance policies.

The adoption of new laws or changes to or the application of existing laws relating to Internet commerce may affect the growth of our business.

We may become subject to any number of laws and regulations that may be adopted with respect to the Internet and electronic commerce. New laws and regulations that address issues such as user privacy, pricing, online content regulation, taxation, advertising, intellectual property, information security, and the characteristics and quality of online products and services may be enacted. As well, current laws, which predate or are incompatible with the Internet and electronic commerce, may be applied and enforced in a manner that restricts the electronic commerce market. The application of such pre-existing laws regulating communications or commerce in the context of the Internet and electronic commerce is uncertain. Moreover, it may take years to determine the extent to which existing laws relating to issues such as intellectual property ownership and infringement, libel and personal privacy are applicable to the Internet.

The adoption of new laws or regulations relating to the Internet, or particular applications or interpretations of existing laws, could decrease the growth in the use of the Internet, decrease the demand for our products and services, increase our cost of doing business or could otherwise have a material adverse effect on our business, revenues, operating results and financial condition.

Our strategy to purchase a portion of early stage companies may provide us with investments that have no liquidity.

It is our strategy to sometimes purchase, at an affordable price, part or all of early-stage companies and cross pollinate the ideas, technology and expertise within these companies to enhance the operations, profits and market share of all the entities. That strategy may result in us diverting management attention and advisory resources to do work for early-stage companies that pay for the work with equity, which becomes impaired in value or never becomes a liquid asset. In addition, some of the companies that we do work for and take an equity position in, do not create revenues for the Company. We only record revenues in exchange for equity if we have access to the entity's audited financial statements or we have a verifiable market value for the equity received. For all of these early-stage companies, the future liquidity and value of our investments cannot be guaranteed, and no market may exist for us to generate gains from our investments in early-stage companies.

Our business depends on the reliability of the infrastructure that supports the Internet and the viability of the Internet.

The growth of Internet usage has caused frequent interruptions and delays in processing and transmitting data over the Internet. There can be no assurance that the Internet infrastructure or the Company's own network systems will continue to be able to support the demands placed on it by the continued growth of the Internet, the overall online game industry or that of our customers.

The Internet's viability could be affected if the necessary infrastructure is not sufficient, or if other technologies and technological devices eclipse the Internet as a viable channel.

End-users of our software depend on Internet Service Providers ("ISPs"), online service providers and our system infrastructure for access to the Internet sites that we operate. Many of these services have experienced service outages in the past and could experience service outages, delays and other difficulties due to system failures, stability or interruption. As a result, we may not be able to meet a level of service that we have promised to our subscribers, and we may be in breach of our contractual commitments, which could materially adversely affect our business, revenues, operating results and financial condition.

Game playing and crowdfunding on the Internet is a developing industry and, therefore, we do not know if the market will continue to develop and our products and services will continue to be in demand.

The Internet continues to evolve rapidly and is characterized by an increasing number of market entrants. The demand and acceptance for new products and services are subject to a level of uncertainty and growing competition, and if our games do not receive market acceptance, or if regulations and competition changes for raising capital on the Internet, our business, revenues, operating results and financial condition could be materially adversely affected.

Intense competition could prevent us from increasing our market share and growing our revenues.

We compete with a number of public and private companies, which provide electronic commerce and/or Internet games. Most of our competitors have significant financial resources and occupy entrenched positions in the market with name-brand recognition. We also face challenges from new Internet sites that aim to attract subscribers who seek to play interactive games and obtain ratings and status for superior playing skills. Such companies may be able to attract significantly more subscribers because of new marketing ideas and new game concepts.

The barriers to entry into most Internet markets are relatively low, making them accessible to a large number of entities and individuals. We believe the principal competitive factors in our industry that create certain barriers to entry include but are not limited to reputation, technology, financial stability and resources, proven track record of successful operations, critical mass, independent oversight and transparency of business practices. While these barriers will limit those able to enter or compete effectively in the market, it is likely that new competitors as well as laws and regulations of governmental authority will be established in the future, in addition to our known current competitors.

Increased competition from current and future competitors may in the future materially adversely affect our business, revenues, operating results and financial condition.

Our debt level could negatively impact our financial condition, results of operations and business prospects.

As of April 30, 2019, our total debt payable amounted to $1,118,284. Our level of debt could have significant consequences to our shareholders, including the following:

- requiring the dedication of a substantial portion of cash flow from operations to make payments on debt, thereby reducing the availability of cash flow for working capital, capital expenditures and other general business activities;
- requiring a substantial portion of our corporate cash reserves to be held as a reserve for debt service, limiting our ability to invest in new growth opportunities;
- limiting the ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions and general corporate and other activities;
- limiting the flexibility in planning for, or reacting to, changes in the business and industry in which we operate;
- increasing our vulnerability to both general and industry-specific adverse economic conditions;
- putting us at a competitive disadvantage vs. less leveraged competitors; and
- increasing vulnerability to changes in the prevailing interest rates.

Our ability to make payments of principal and interest, or to refinance our indebtedness, depends on our future performance, which is subject to economic, financial, competitive and other factors. Our business may not generate sufficient cash flow in the future sufficient to service our debt because of factors beyond our control, including but not limited to our ability to market our products and expand our operations. If we are unable to generate sufficient cash flows, we may be required to adopt one or more alternatives, such as restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

We will require our related-party lenders to cooperate with us and, among other things, not demand repayments of principal and interest until the business is capable of making such payments.

We do not expect that we will be able to obtain the funds to pay principal and interest on our related-party debt by utilizing cash flow from operations. We are operating as an early-stage company and our ability to meet these payment obligations will depend on expansion of our revenues and our future financial performance, which will be affected by financial, business, economic and other factors. We will not be able to control many of these factors, such as economic conditions in the markets in which we operate or the ability to raise additional capital in a timely manner. We cannot be certain that our future cash flow from operations will be sufficient to allow us to pay principal and interest on our debt and meet our other obligations. If cash flow from operations is insufficient, we may be required to refinance all or part of our existing debt, sell assets, and borrow more money or issue additional equity.

We owe related parties $1,116,882 in accounts and notes payable as of April 30, 2019. We owe our secured lender, Vaxstar LLC (the “Lender”), who is also our largest shareholder, $1,000,000 at April 30, 2019. Our Lender holds a term note bearing interest at an annual rate of 1.25%. We have not paid interest on the note and it accrues each month. We have a loan and security agreement (the “Loan”) with the Lender for a maximum amount of $1,250,000. The Lender has provided us with cash advances to pay our operating expenses, but there is no assurance the Lender will continue to provide cash advances. The maturity date of our loan from the Lender is October 31, 2020.

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.

In connection with the Loan, 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.

We may need to renegotiate our related-party debt if our related-party lenders demand that we begin making principal or interest payments. Any renegotiation may be on less favorable terms or may require that we refinance the related-party debt. We may need to raise additional funds through public or private debt or sale of equity to pay the related-party debt. Such financing may not be available when needed. Even if such financing is available, it may be on terms that are materially adverse to your interests with respect to dilution of book value, dividend preferences, liquidation preferences, or other terms. No assurance can be given that such funds will be available or, if available, will be on commercially reasonable terms satisfactory to us. There can be no assurance that we will be able to obtain financing if and when it is needed on terms we deem acceptable. If we are unable to obtain financing on reasonable terms, or, if our related-party lender does not continue to cooperate with us, we could be forced to discontinue our operations.

We may make acquisitions or form joint ventures that are unsuccessful.

Our ability to grow is partially dependent on our ability to successfully acquire other companies, which creates substantial risk. In order to pursue a growth by acquisition strategy successfully, we must identify suitable candidates for these transactions; however, because of our limited funds, we may not be able to purchase those companies that we have identified as potential acquisition candidates. Additionally, we may have difficulty managing post-closing issues such as the integration into our corporate structure. Integration issues are complex, time consuming and expensive and, without proper planning and implementation, could significantly disrupt our business, including, but not limited to, the diversion of management's attention, the loss of key business and/or personnel from the acquired company, unanticipated events, and legal liabilities.

We do not expect to pay dividends and investors should not buy our common stock expecting to receive dividends.

We have not paid any dividends on our common stock in the past, and do not anticipate that we will declare or pay any dividends in the foreseeable future. Consequently, you will only realize an economic gain on your investment in our common stock if the price appreciates. You should not purchase our common stock expecting to receive cash dividends. Since we do not pay dividends, and if we are not successful in having our shares listed or quoted on an exchange, then you may have a limited ability to liquidate or receive any payment on your investment. Therefore our failure to pay dividends may cause you to not see any return on your investment even if we are successful in our business operations. In addition, because we do not pay dividends we may have trouble raising additional funds, which could affect our ability to expand our business operations.

Our common stock is considered a penny stock, which is subject to restrictions on marketability, so you may not be able to sell your shares.

The trading of our stock is subject to the penny stock rules adopted by the Securities and Exchange Commission that require brokers to provide extensive disclosure to their customers prior to executing trades in penny stocks. These disclosure requirements may cause a reduction in the trading activity of our common stock, which in all likelihood would make it difficult for our shareholders to sell their securities.

Penny stocks generally are equity securities with a price of less than $5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system). Penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The broker-dealer must also make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These requirements may have the effect of reducing the level of trading activity, if any, in the secondary market for a security that becomes subject to the penny stock rules. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in our securities, which could severely limit their market price and liquidity of our securities. These requirements may restrict the ability of broker-dealers to sell our common stock and may affect your ability to resell our common stock.

Our future growth depends on our ability to develop and retain customers.

Our future growth depends to a large extent on our ability to effectively anticipate and adapt to customer requirements and offer services that meet customer demands. If we are unable to attract new customers and/or retain new customers, our business, results of operations and financial condition may be materially adversely affected.

We will need to attract, train and retain additional highly qualified senior executives and technical and managerial personnel in the future.

We continue to seek technical and managerial staff members, although we have limited resources to compensate them until we have raised additional capital or developed a business that generates consistent cash flow from operations. We believe it is important to negotiate with potential candidates and, if appropriate, engage them on a part-time basis or on a project basis and compensate them at least partially, with stock-based compensation, when appropriate. There is a high demand for highly trained and managerial staff members. If we are not able to fill these positions, it may have an adverse affect on our business.

We may conduct future offerings of our common stock and pay debt obligations with our common and preferred stock which may diminish our investors' pro rata ownership and depress our stock price.

We reserve the right to make future offers and sales, either public or private, of our securities, including shares of our common stock or securities convertible into common stock at prices differing from the price of the common stock previously issued. In the event that any such future sales of securities are affected or we use our common stock to pay principal or interest on our debt obligations, an investor's pro rata ownership interest may be reduced to the extent of any such future sales.

Item 1B. UNRESOLVED STAFF COMMENTS

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

ITEM 2. PROPERTIES

We utilize an office at 745 Atlantic Avenue in Boston, Massachusetts. We currently pay rent of $4,200 a month, and our rent agreement is on a month-to-month basis for approximately 400 square feet in an office-suite location.

ITEM 3. LEGAL PROCEEDINGS

We are currently not involved in any litigation that we believe could have a materially 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 company's or our company's subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

(a) Market Information

Our common stock is currently quoted on the OTC marketplace under the symbol VSTR. The high and low closing price for each quarterly period of our last two fiscal years are listed below.

Fiscal Quarter ended	High Price	Low Price
1st Quarter – May – July 2017	$ 0.0035	$ 0.0012
2nd Quarter – August – October 2017	$ 0.0053	$ 0.0017
3rd Quarter – November 2017 – January 2018	$ 0.0089	$ 0.0016
4th Quarter – February – April 2018	$ 0.0090	$ 0.0027
1st Quarter – May – July 2018	$ 0.0050	$ 0.0012
2nd Quarter – August – October 2018	$ 0.0017	$ 0.0011
3rd Quarter – November 2018 – January 2019	$ 0.0038	$ 0.0010
4th Quarter – February – April 2019	$ 0.0052	$ 0.0017

The quotations set forth in the table above reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

Recent Issuances of Unregistered Securities

None

(b) Holders

There are 204 shareholders of record of our common stock.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Pacific American Stock Transfer Company with its business address at 4045 S Spencer Street Suite 403, Las Vegas NV 89119.

(c) Dividends

We have never paid dividends on our Common Stock and do not expect to do so in the foreseeable future.

(d) Securities Authorized for Issuance under Equity Compensation Plans

We currently have no equity compensation plan either approved or not approved by security holders, and there are no securities currently authorized for issuance under any equity compensation plan. However, our Board of Directors has previously approved share-based compensation in lieu of cash compensation to various consultants and employees. Such share-based compensation is recognized at the time of grant equal to the fair value of the stock award at the time of the grant or at the time the award vests, if there is a vesting period.

Item 6. Selected Financial Data.

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

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

THE FOLLOWING DISCUSSION OF OUR PLAN OF OPERATION AND RESULTS OF OPERATIONS SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND RELATED NOTES TO THE FINANCIAL STATEMENTS INCLUDED ELSEWHERE IN THIS ANNUAL REPORT. THIS DISCUSSION CONTAINS FORWARD-LOOKING STATEMENTS THAT RELATE TO FUTURE EVENTS OR OUR FUTURE FINANCIAL PERFORMANCE. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS.

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 sometimes take equity stakes in promising technology start-ups. We play an active role in growing these companies by providing strategic advice, technology consulting, and help with capital raising.

One such company that we own equity in, as a result of our consulting services, is NetCapital Systems LLC ("Netcapital"), which accounted for 65% of our revenue in fiscal 2019. This company owns a Title III JOBS Act funding portal, and as of today is one a only a few dozen FINRA approved crowdfunding portals allowed to sell securities in startup companies to non-accredited investors, via the Internet. We continue to consult for Netcapital and to provide consulting services to some of our clients that utilize the Netcapital website to raise money from non-accredited and accredited investors. We believe we have been successful in providing advice and digital marketing services to our clients, who are allowed to advertise their fund raising, in conjunction with advertising provisions contained in the JOBS Act. During fiscal 2019, many high-tech firms have become our clients, including Braidy Industries, Inc., which accounted for 23% of our revenues in fiscal 2019.

Our limited operating history and the uncertain nature of our future operations and the markets we address or intend to address make predictions of our future results of operations difficult. Our operations may never generate significant revenues, and we may not consistently achieve profitable operations.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and related notes to the financial statements included elsewhere in this Form 10-K. This discussion contains forward-looking statements that relate to future events or our future financial performance. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Results of Operations

Fiscal Year 2019 Compared to Fiscal Year 2018

Our revenues for fiscal 2019 increased by $902,441, or 812%, to $1,013,612 as compared to $111,171 reported for fiscal 2018. The increase in revenues is attributable to our consulting services. We have expanded our consulting business, which concentrates on providing assistance with capital raising, strategy, technology consulting and marketing.

Our costs of revenues increased by $1,313, or 6%, to $25,198 in fiscal 2019, from $23,885 in fiscal 2018. These costs primarily represent cloud-based fees that we pay to perform services for our customers.

Stock-based compensation decreased by $65,050, or 50%, to $65,153 for fiscal 2019 from $130,203 reported in the prior fiscal year. The decrease is primarily attributable to lower values of stock grants in fiscal 2019.

Consulting fees increased by $135,540, or 414%, to $168,300 for fiscal 2019 from $32,760 reported in the prior fiscal year. The increase is primarily attributable to the compensation for our chief marketing officer.

Our costs for rent plus general and administrative expenses decreased by $1,957, or 2%, to $105,260 for fiscal 2019 from $107,217 reported in the prior fiscal year. Our rent, other office expenses and other fixed overhead has not changed significantly from fiscal 2018 to 2019.

Interest expense decreased by $50,082 to $19,408 for the year ended April 30, 2019, as compared to $69,490 for the prior fiscal year. Our debt balances decreased due to favorable conversion rates of debt into common stock, and we also renegotiated our secured term loan and reduced the interest rate from 8% to 1.25%, effective October 31, 2017.

Our bottom line is that we recorded net income in fiscal 2019 of $582,880, an improvement of $451,751 over the net income of $131,129 we recorded in fiscal 2018.

Liquidity and Capital Resources

At April 30, 2019, we had cash and cash equivalents of $19,110 and negative working capital of $518,875 as compared to cash and cash equivalents of $1,655 and negative working capital of $538,991 at April 30, 2018.

Net cash provided by operating activities aggregated to $30,558 in fiscal 2019, as compared to net cash used in operating activities of $50,156 in fiscal 2018. The principal source of cash from operating activities was net income of $582,880, adjusted by stock-based compensation of $65,153, a bad debt allowance of $6,750 and asset impairment of $23,000. These sources of cash from operating activities, which included an increase in investments of $647,317 as a result of contract revenue with a major customer, NetCapital Systems LLC, were partially offset by changes in assets and liabilities that used cash in the amount of $647,225.

The use of cash from operating activities in 2018 resulted from net income for the year of $131,129 plus stock-based compensation of $130,203 and changes in operating assets and liabilities of $74,336, minus a gain on debt settlement of $385,823.

There was no investing activity in fiscal 2019 or in fiscal 2018.

Net cash used in financing activities in fiscal 2019 consisted of payments on demand notes of $14,940 and on a bank line of credit of $3,163. These uses of cash were offset by a private placement of common stock that amounted to $5,000. Net cash provided by financing activities aggregated to $48,487 in fiscal 2018. The principal sources of cash from financing activities were net proceeds from related parties of approximately $30,000 plus third-party promissory notes of $21,700.

In fiscal 2019 and 2018, there were no expenditures for capital assets. We do not anticipate any capital expenditures in the next fiscal year.

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 sustained net losses from operations through fiscal 2018, we have very limited liquidity and we cannot be assured that our profitability in fiscal 2019 will continue. Management anticipates that we will be dependent, for the near future, on additional capital to fund our operating expenses and anticipated growth, which we intend to achieve through consulting services and the further development of game applications. Although we are choosing methods of growth that potentially minimize the use of cash, we cannot be assured that we will be able to obtain the cash to market the digital products we sell or that we will be successful in increasing our sales. Furthermore, the report of our independent registered public accounting firm expresses doubt about our ability to continue as a going concern.

Our required debt payments for a bank loan, which has a balance of $34,324 at April 30, 2019, have been temporarily suspended because of our limited cash flow. We do continue to pay interest every month, at an interest rate that is approximately 5.5% per annum. We have not paid principal or 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.

Although we were profitable in fiscal 2019, we only produced $30,558 in cash flow from operations. We believe we have short-term financing available from our largest shareholder to fund our monthly cash-flow deficit. 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.

New Accounting Standards

The new accounting pronouncements in Note 1 to our financial statements, which are included in this Report, are incorporated herein by reference thereto.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. The most significant estimates include:

- revenue recognition and estimating allowance for doubtful accounts;
- valuation of long-lived assets; and
- income tax valuation allowance.

We continually evaluate our accounting policies and the estimates we use to prepare our financial statements. In general, the estimates are based on historical experience, on information from third party professionals and on various other sources and assumptions that are believed to be reasonable under the facts and circumstances at the time such estimates are made. Management considers an accounting estimate to be critical if:

- it requires assumptions to be made that were uncertain at the time the estimate was made; and
- changes in the estimate, or the use of different estimating methods, could have a material impact on our consolidated results of operations or financial condition.

Actual results could differ from those estimates. Significant accounting policies are described in Note 1 to our financial statements, which are included in this Report. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result.

Certain of our accounting policies are deemed "critical", as they require management's highest degree of judgment, estimates and assumptions. The following critical accounting policies are not intended to be a comprehensive list of all of our accounting policies or estimates:

Revenue Recognition

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.

Allowance for Doubtful Accounts

For subscribers to our games website, in fiscal 2019 and 2018, we do not maintain allowances for doubtful accounts for estimated losses that result from the inability or unwillingness of our customers to make required payments. We have not carried any accounts receivable in either fiscal year, as we have required our customers to make a non-refundable prepayment for our services.

In order to record the Company's accounts receivable at their net realizable value, the Company must assess their collectibility. A considerable amount of judgment is required in order to make this assessment, including an analysis of historical bad debts and other adjustments, a review of the aging of the Company's receivables, and the current creditworthiness of the Company's customers. Generally, when a customer account reaches a certain level of delinquency, the Company provides an allowance for the related amount receivable from the customer. The Company writes off the accounts receivable balance from a customer and the related allowance established when it believes it has exhausted all reasonable collection efforts. Accounts receivable of $6,000 and $6,750 were recorded at April 30, 2019 and 2018, respectively, and an allowance for doubtful accounts of $6,750 and $0 were recorded at April 30, 2019 and 2018, respectively.

Impairment of Long-Lived Assets

Financial Accounting Standards Board ("FASB") authoritative guidance requires that certain assets be reviewed for impairment and, if impaired, remeasured at fair value whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Impairment loss estimates are primarily based upon management's analysis and review of the carrying value of long-lived assets at each balance sheet date, utilizing an undiscounted future cash flow calculation. We recognized an impairment loss of $23,000 and $0, in the fiscal 2019 and 2018, respectively, as we concluded the carrying amount of a cash investment that we made in an early-stage company was not recoverable.

Income Taxes

We estimate the degree to which tax assets and loss carryforwards will result in a benefit based on expected profitability by tax jurisdiction. A valuation allowance for such tax assets and loss carryforwards is provided when it is determined that such assets will more likely than not go unused. If it becomes more likely than not that a tax asset or loss carry-forward will be used, the related valuation allowance on such assets is reversed. If actual future taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary. At April 30, 2019 and 2018, we have recorded a full valuation on our deferred tax assets.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Information About Market Risk

We are not subject to fluctuations in interest rates, currency exchange rates or other financial market risks. We have not made any sales, purchases or commitments with foreign entities which would expose us to currency risks.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

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

Item 8. Financial Statements and Supplementary Data.

Our Consolidated Financial Statements required by this Item are included herein, commencing on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Chief Executive Officer (the "PEO") and Chief Financial Officer (the "PFO"), has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in SEC Rule 13a-15(e)) as of April 30, 2019. That evaluation revealed the two material weaknesses identified below (under *(b) Management's Assessment of Internal Control over Financial Reporting*). Based on that evaluation, the PEO and the PFO concluded that, as of April 30, 2019, such controls and procedures were not effective.

(b) Management's Assessment of Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Exchange Act Rules 13a-15(f). A system of internal control over financial reporting is a process designed 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.

Under the supervision and with the participation of management, including the PEO and the PFO, the Company's management has evaluated the effectiveness of its internal control over financial reporting as of April 30, 2019, based on the criteria established in a report entitled "2013 Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission" and the interpretive guidance issued by the Commission in Release No. 34-55929. Based on this evaluation, the Company's management has evaluated and concluded that the Company's internal control over financial reporting was ineffective as of April 30, 2019, and identified the following material weaknesses:

- There is a lack of accounting personnel with the requisite knowledge of Generally Accepted Accounting Principles in the US ("GAAP"), taxation requirements and the financial reporting requirements of the SEC; and

- There are insufficient written policies and procedures to insure the correct application of accounting and financial reporting with respect to the current requirements of GAAP and SEC disclosure requirements.

The Company will continue its assessment on a quarterly basis. We plan to hire personnel and resources to address these material weaknesses. We believe these issues can be solved with hiring in-house accounting support and plan to do so as soon as we have funds available for this purpose.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. The Company's registered public accounting firm was not required to issue an attestation on its internal controls over financial reporting pursuant to the rules of the SEC. The Company will continue to evaluate the effectiveness of internal controls and procedures on an ongoing basis.

(c) Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act) during the quarter ended April 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

The following table and biographical summaries set forth information, including principal occupation and business experience, about our directors and executive officers at July 29, 2019.
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Our executive officers and directors are as follows:

Name	Age	Position	Officer or Director Since
Cecilia Lenk	64	Chairman of the Board and Chief Executive Officer	July 2017
Thomas H Carmody	72	Director	August 2010
Avi Liss	39	Secretary and Director	August 2010
Steven Geary	51	Director	June 2006
Coreen Kraysler	55	Chief Financial Officer	September 2017
Kathy Kraysler	50	Chief Marketing Officer	May 2018

Our directors serve in such capacity until the first annual meeting of our shareholders and until their successors have been elected and qualified. Our officers serve at the discretion of our board of directors, until their death, or until they resign or have been removed from office.

Executive Officers and Directors

Cecilia Lenk, Chairman of the Board and Chief Executive Officer

Cecilia Lenk is the Chairman of the Board and Chief Executive Officer. She accepted the position on July 28, 2017. For the past five year she has worked as a self-employed business consultant and a town councilor in Watertown, MA.

Ms. Lenk has specialized in technology and health care. Formerly Vice President of Technology and Digital Design at Decision Resources Inc., a global company serving the biopharmaceutical market, she oversaw the implementation of new technologies, products, and business processes. Prior to joining Decision Resources, Cecilia founded a technology firm that built a patented platform for online research. She has managed large-scale technology projects for leading corporations, universities, government agencies, and major non-profit organizations.

Ms. Lenk has a Ph.D. in Biology from Harvard University and a B.A. from Johns Hopkins University in Geography and Environmental Engineering. She has served on a number of non-profit boards, including Chair of the Johns Hopkins Engineering Alumni. She is currently on the Alumni Advisory Board for the Hopkins School of Engineering and is the Chief Executive Officer of our largest shareholder, Vaxstar LLC.

Ms. Lenk brings to our board of directors key leadership experience in high-growth technology companies and possesses a strong mix of strategic, finance, and operating skills.

Thomas Carmody, Director

Thomas Carmody has served as a Director of the Company since August 2010. He has over 40 years experience as a marketing executive. For the past five years he has worked as a self-employed marketing consultant for Summit International LLC. He currently serves on the Board of Directors of Continental Materials Corporation, Chicago, Illinois, and serves on that company's audit committee. Mr. Carmody also served as the Vice President of U.S. Operations and Vice President of the sports division at Reebok International Inc. from 1988 to 1996.

As a long-term marketing expert, Mr. Carmody brings strategic insight and extensive experience with product distribution to our board of directors. He also has significant experience serving on the board of another public company.

Avi Liss, Director and Secretary

Avi Liss has served as a Director and Secretary of the Company since August 2010. From August 2009 to present, he has served as the President of Liss Law, LLC, a law firm specializing in real estate conveyances. Prior to founding Liss Law, he worked as a judicial law clerk for the Honorable Stephen S. Mitchell, a bankruptcy court judge for the Eastern District of Virginia.

Mr. Liss is well qualified to serve as a director of the company due to his knowledge and working experience with legal governance matters.

Steven Geary, Director

Steven Geary has served as a Director of the Company since June 2006. Since 2009, he has served in several management positions at Statera and is currently the Vice President of Strategy and Business Development. From 2008 to 2009, he was the Chief Executive Officer of ImproveSmart, Inc. From April 2006 to June 2008, he served as our President and Chief Operating Officer, and as our Chief Executive Officer from June 2008 to December 2009.

Mr. Geary has significant business development and brand marketing expertise in consumer products and services.

Coreen Kraysler, Chief Financial Officer

Coreen Kraysler has served as the Chief Financial Officer of the Company since September 2017.

Ms. Kraysler is a Chartered Financial Analyst, with over 30 years of investment experience. Formerly a Senior Vice President and Principal at Independence Investments, she managed several 5-star rated mutual funds as well as institutional accounts and served on the Investment Committee. She also worked at Eaton Vance as a Vice President, Equity Analyst on the Large and Midcap Value teams. A specialist in financial services, household and consumer products, she guest lectures at local colleges and universities. She received a B.A. in Economics and French, Cum Laude, from Wellesley College and a Master of Science in Management from MIT Sloan.

Coreen Kraysler is the sister of Kathryn Kraysler, the Company's Chief Marketing Officer

Kathryn Kraysler, Chief Marketing Officer

Kathryn Kraysler has served as the Chief Marketing Officer of the Company since May 2018. She is a Yale M.B.A. with over 20 years of digital marketing, strategy, and analytics experience. She has held Senior Marketing positions at multiple high profile institutions, including PayPal, Dow Jones and MIT, as well as several early-stage companies. Her expertise encompasses a broad range of digital marketing, from demand generation, account based marketing, and inbound marketing, to marketing operations, digital advertising, and analytics.

For the past five years, she has served as the Director of Marketing Operations and Director of Demand Generation, NewStore, Inc., a Senior Digital Marketing Manager at TandemSeven, and a Research and Analytics Manager at PayPal Holdings, Inc.

Kathryn Kraysler is the sister of Coreen Kraysler, the Company's Chief Financial Officer

Director Independence

Our common stock is currently quoted on the OTC Pink market and is not listed on the NASDAQ Stock Market or any other national securities exchange. Accordingly, we are not currently subject to the NASDAQ continued listing requirements or the requirements of any other national securities exchange. Nevertheless, in determining whether a director or nominee for director should be considered "independent" the board utilizes the definition of independence set forth in Rule 4200(a)(15) of the NASDAQ Marketplace Rules. Pursuant to that definition, Avi Liss and Steven Geary are independent members of our Board of Directors.

Involvement in Certain Legal Proceedings

Our directors, executive officers and control persons have not been involved in any of the following events during the past five years:

· Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

· Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

· Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; and

· Being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Board Meetings and Committees; Management Matters

Our board of directors took actions on one occasion during the fiscal year ended April 30, 2019. No fees are paid to directors for attendance at meetings or for agreeing to a unanimous consent or the board of directors.

Compensation Committee

Our board of directors does not have a compensation committee.

Nominating Committee

Our board of directors does not have a nominating committee. Our entire board of directors is responsible for this function. Due to the relatively small size of our company and the resulting efficiency of a board of directors that is also limited in size, our board of directors has determined that it is not necessary or appropriate at this time to establish a separate nominating committee. Our board of directors intends to review periodically whether such a nominating committee should be established.

Our board of directors uses a variety of methods for identifying and evaluating nominees for director. It regularly assesses the appropriate size of the board of directors and whether any vacancies exist or are expected due to retirement or otherwise. If vacancies exist, are anticipated or otherwise arise, our board of directors considers various potential candidates for director. Candidates may come to their attention through current members of our board of directors, shareholders or other persons. These candidates are evaluated at regular or special meetings of our board of directors and may be considered at any point during the year.

Qualifications for consideration as a director nominee may vary according to the particular areas of expertise that may be desired in order to complement the qualifications that already exist among our board of directors. Among the factors that our directors consider when evaluating proposed nominees are their independence, financial literacy, business experience, character, judgment and strategic vision. Other considerations would be their knowledge of issues affecting our business, their leadership experience and their time available for meetings and consultation on company matters. Our directors seek a diverse group of candidates who possess the background skills and expertise to make a significant contribution to our board of directors, our company and our shareholders.

Audit Committee

Our board of directors does not have an audit committee.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act of 1934, requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities (“10% Shareholders”), to file with the Commission initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Officers, directors and 10% Shareholders are required by Commission regulation to furnish us with copies of all Section 16(a) forms they file.

Based solely on our review of the copies of such reports received by us, we believe that for the fiscal year ended April 30, 2019, that our directors and 10% shareholders did comply with Section 16(a) filing requirements.

Code of Ethics

We have adopted a code of business conduct and ethics for our directors, officers and employees, including our Chief Executive Officer. The text of our code is posted on our Internet website at www.valuesetters.com.

Item 11. Executive Compensation.

The following table sets forth, for the fiscal years indicated, all compensation awarded to, earned by or paid to Cecilia Lenk, our Chief Executive Officer, Coreen Kraysler, our Chief Financial Officer and Kathryn Kraysler, our Chief Marketing Officer (collectively, the “Named Executives”). We have no other executive officers.

Summary Executive Compensation Table

Name and principal position	Year	Salary ($)	Bonus ($)	Stock awards ($)(1)	Option awards ($)	Non-equity incentive plan compensation ($)	Change in pension value and nonqualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
Cecilia	2019	0	7,000	9,063	0	0	0	0	16,063
Lenk, CEO	2018	0	0	35,525	0	0	0	0	35,525
Coreen	2019	0	7,000	9,063	0	0	0	0	16,063
Kraysler, CFO	2018	0	0	60,525	0	0	0	0	60,525
Kathryn	2019	120,000	0	0	2,313	0	0	0	122,313
Kraysler, CMO	2018	0	0	0	0	0	0	0	0

(1) Represents the dollar amount of vested equity awards during the fiscal year.

We have no retirement, pension, profit sharing, stock option or insurance programs or other similar programs for the benefit of our officers and directors, and we have no regular salaried employees.

Outstanding Equity Awards at Fiscal Year End

Cecilia Lenk and Coreen Kraysler were each granted 20,000,000 shares of our common stock. 10,000,000 shares vested immediately and 10,000,000 vest over a two-year period. At April 30, 2019, each officer has 1,250,000 shares that will vest on July 31, 2019.

Stock Option Grants

There were no stock option grants or exercises in fiscal 2019 for Named Executives.

Compensation of Directors

We currently do not compensate our directors for their services as directors.

Employment Agreements

We currently have no employment agreements in place. At a later date we may enter into employment agreements with our executive officers.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth information with respect to the beneficial ownership of shares of our common stock as of July 31, 2019 by:

- each person whom we know beneficially owns more than 5% of any class of equity security;
- each of our directors individually;
- each of our named executive officers individually; and
- all of our current directors and executive officers as a group.

Unless otherwise indicated, to our knowledge, all persons listed below have sole voting and investment power with respect to their shares of common stock. Shares of common stock that an individual or group has the right to acquire within 60 days of July 29, 2019, pursuant to the exercise of options or restricted stock are, deemed to be outstanding for the purpose of computing the percentage ownership of such person or group, but are not deemed outstanding for the purpose of calculating the percentage owned by any other person listed.

Name and Address of Beneficial Owner (1)	Amount of Shares and Nature of Beneficial Ownership	Percent of Class*
Vaxstar LLC	271,371,454	36.1%
Steven Geary (3)	20,600,000	2.7%
Cecilia Lenk (3,4)	20,000,000	2.7%
Coreen Kraysler (4)	20,000,000	2.7%
Tom Carmody (3)	5,000,000	**%
Avi Liss (2,3)	2,000,000	**%
Kathryn Kraysler (5)	1,562,500	**%
Officers and Directors as a group (6 persons)	69,162,500	9.2%

* Based on 752,519,212 shares of common stock outstanding as of July 31, 2019.
** Less than 1%

(1) Unless otherwise noted, the business address of each member of our Board of Directors is c/o Valuesetters Inc. 745 Atlantic Avenue, Boston Massachusetts 02111

(2) Mr. Liss is our Secretary.

(3) Such individual is a current member of the Board of Directors.

(4) Includes 1,250,000 shares that vest within 60 days of July 31, 2019.
(4)
(5) Includes 1,250,000 shares that vest within 60 days of July 31, 2019.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Our largest shareholder, Vaxstar LLC, is also our working capital lender. As of April 30, 2019, we owe our largest shareholder $1,000,000, under a term note agreement that bears interest at an annual rate of 1.25%. We have not made any principal or interest payments to our working capital lender. Unpaid interest has been accrued and added to the note. Our Chief Executive Officer, Cecilia Lenk, is also the Chief executive Officer of Vaxstar LLC.

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.

We owe Steven Geary, a director, $31,680 as of April 30, 2019. This obligation is not interest bearing. $16,680 is recorded as a related party trade accounts payable and $15,000 as a related party note payable. We have no signed agreements for the indebtedness to Mr. Geary.

We owe a company controlled by our director, Thomas Carmody, $61,100 as of April 30, 2019.

We currently have no equity compensation plan either approved or not approved by security holders, and there are no securities currently authorized for issuance under any equity compensation plan. However, our Board of Directors has previously approved share-based compensation in lieu of cash compensation to various consultants and employees. Such share-based compensation is recognized at the time the shares vest.

Item 14. Principal Accounting Fees and Services.

Fruci & Associates II, PLLC is the Company's independent registered public accounting firm.

The following table presents fees for professional audit services rendered by our independent registered public accounting firm during the past two fiscal years.

	Fiscal 2019	Fiscal 2018
Audit fees	$ 17,700	$ 12,450
Audit related fees		
Tax fees		
All other fees		
Total	$ 17,700	$ 12,450

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

Consistent with SEC policies regarding auditor independence, our board of directors has responsibility for appointing, setting compensation and overseeing the work of the independent auditor. In recognition of this responsibility, the board of directors has established a policy to pre-approve all audit and permissible non-audit services provided by the independent auditor.

Prior to engagement of the independent auditor for the next year's audit, management will submit an aggregate of services expected to be rendered during that year for each of four categories of services to the board of directors for approval.

1. ***Audit*** services include audit work performed in the preparation of financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, including comfort letters and reviews of our financials statements included in our Quarterly Reports on Form 10-Q.

2. ***Audit-Related*** services are for assurance and related services that are traditionally performed by the independent auditor, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements.

3. ***Tax*** services include all services performed by the independent auditor's tax personnel except those services specifically related to the audit of the financial statements, and includes fees in the areas of tax compliance, tax planning, and tax advice.

4. ***Other*** services are those associated with services not captured in the other categories. We generally do not request such services from the independent auditor.

PART IV

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit Number	Description
2.1	Asset Purchase Agreement, dated November 23, 2010, between Valuesetters, Inc. and NetGames.com, incorporated by reference to Exhibit 2.1 to our Form 10/A dated July 25, 2014.
3.1	Articles of Incorporation of Valuesetters, Inc. filed on April 25, 1984, incorporated by reference to Exhibit 3.1 to our Form 10 dated September 3, 2013.
3.2	Amendment to Articles of Incorporation of Valuesetters, Inc. filed on September 7, 1999, incorporated by reference to Exhibit 3.2 to our Form 10 dated September 3, 2013.
3.3	Amendment to Articles of Incorporation of Valuesetters, Inc. filed on December 4, 2003, incorporated by reference to Exhibit 3.3 to our Form 10 dated September 3, 2013.
3.4	By-Laws of Valuesetters, Inc, incorporated by reference to Exhibit 3.4 to our Form 10 dated September 3, 2013.
10.1	Amended Secured Lending Agreement between Valuesetters, Inc. and Vaxstar LLC incorporated by reference to Exhibit 10.1 to our Form 10/A dated July 25, 2014 and to our Current Report on Form 8-K dated October 31, 2017.
31.1	Certification by the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).*
31.2	Certification by the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).*
32.1	Certification by the Principal Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification by the Principal Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

* filed herewith

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 5, 2019

VALUESETTERS, INC.

By: */s/ Cecilia Lenk*
Cecilia Lenk
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

By: */s/ Coreen Kraysler*
Coreen Kraysler
Chief Financial Officer
(Principal Financial Officer)

/s/ Avi Liss Avi Liss	Secretary and Director	August 5, 2019
/s/ Thomas Carmody Thomas Carmody	Director	August 5, 2019
/s/ Steven Geary Steven Geary	Director	August 5, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

FRUCI & ASSOCIATES II
A Professional Limited Liability Company

To the Board of Directors and Shareholders
of ValueSetters, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of ValueSetters, Inc. ("the Company") as of April 30, 2019 and 2018, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the two years then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2019 and 2018, and the results of its operations and its cash flows for each the years in the two-year period then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has sustained recurring operating loss, has a significant accumulated deficit, and has negative working capital. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Fruci & Associates II, PLLC

We have served as the Company's auditor since 2017.

Spokane, Washington
August 5, 2019

VALUESETTERS, INC.
Consolidated Balance Sheets

	April 30, 2019	April 30, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 19,110	$ 1,655
Accounts receivable, net of allowance for doubtful accounts of $6,750 in 2019	6,000	6,750
Contract assets	15,000	—
Prepaid expenses	25,699	35,000
Total current assets	65,809	43,405
Deposits	6,300	6,300
Non-current prepaid expenses	—	25,700
Investments at cost	647,317	23,000
Total assets	$ 719,426	$ 98,405
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable		
Trade	$ 278,752	$ 278,987
Related party	16,680	16,680
Accrued expenses	131,155	141,467
Deferred revenue - current	15,711	885
Notes payable – related parties	76,100	76,100
Loan payable – bank	34,324	37,487
Interest payable – related party	24,102	7,990
Demand notes payable	7,860	22,800
Total current liabilities	584,684	582,396
Long-term secured note payable to related party	1,000,000	1,000,000
	1,584,684	1,582,396
Commitments and Contingencies	—	—
Stockholders' deficit:		
Common stock, $.001 par value; 900,000,000 shares authorized, 752,519,212 and 731,694,210 shares issued and outstanding in 2019 and 2018, respectively	752,519	731,694
Capital in excess of par value	1,449,356	1,434,328
Accumulated deficit	(3,067,133)	(3,650,013)
Total stockholders' deficit	(865,258)	(1,483,991)
Total liabilities and stockholders' deficit	$ 719,426	$ 98,405

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.

Consolidated Statements of Operations

	Years Ended April 30, 2019	2018
Revenues	$ 1,013,612	$ 111,171
Costs of revenues	25,198	23,885
Gross profit	988,414	87,286
Cost and expenses:		
Consulting fees	168,300	32,760
Marketing	18,518	9,160
Rent	51,038	40,465
Bad debt provision	6,750	—
General and administrative	54,222	66,752
Stock-based compensation	65,153	130,203
Total costs and expenses	363,981	279,340
Income / (loss) from operations	624,433	(192,054)
Other income (expense)		
Interest expense	(19,408)	(69,490)
Gain on debt conversion	—	385,823
Impairment loss	(23,000)	—
Other income	4,600	6,850
Total other income (expense)	(37,808)	323,183
Net income before taxes	586,625	131,129
Income tax	3,745	—
Net income	$ 582,880	$ 131,129
Basic and diluted earnings per share	$ 0.00	$ 0.00
Basic and diluted Weighted average number of shares outstanding	741,721,963	637,660,247

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.

Consolidated Statements of Stockholders' Deficit

For the years ended April 30, 2019 and 2018

	Shares	Amount	Capital in Excess of Par Value	Accumulated Deficit	Total Deficit
Balance, April 30, 2017	530,000,000	$ 530,000	$ 660,439	$ (3,781,142)	$ (2,590,703)
Net income April 30, 2018	—	—	—	131,129	131,129
Stock issued for debt settlement	153,277,542	153,277	624,827	—	778,104
Stock issued for investment purchase	10,000,000	10,000	13,000		23,000
Stock-based compensation	38,416,668	38,417	136,062	—	174,479
Balance, April 30, 2018	731,694,210	731,694	1,434,328	(3,650,013)	(1,483,991)
Net income April 30, 2019	—	—	—	582,880	582,880
Sale of common stock	2,800,000	2,800	2,200	—	5,000
Stock issued for investment purchase	200,000	200	500	—	700
Stock-based compensation	17,825,002	17,825	12,328	—	30,153
Balance, April 30, 2019	752,519,212	$ 752,519	$ 1,449,356	$ (3,067,133)	$ (865,258)

See Accompanying Notes to the Financial Statements

VALUESETTERS, INC.

Consolidated Statements of Cash Flows

	Year Ended April 30, 2019	Year Ended April 30, 2018
Operating activities		
Net income	$ 582,880	$ 131,129
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	65,153	130,203
Depreciation	—	—
Impairment of assets	23,000	—
Gain on debt settlement	—	(385,823)
Provision for bad debts	6,750	—
Changes in non-cash working capital balances:		
Accounts receivable	(6,000)	(6,750)
Investments	(647,317)	—
Contract receivable	(280,683)	—
Other assets	—	(6,300)
Accounts payable	(235)	(21,232)
Interest payable – related party	16,112	—
Accrued expenses	(9,611)	109,265
Deferred revenue	280,509	(648)
Cash provided by (used in) operating activities	30,558	(50,156)
Financing activities		
Payments on bank loan	(3,163)	(2,620)
Payment on demand note	(14,940)	(500)
Payment on related party notes	—	(100)
Proceeds from sale of common stock	5,000	—
Proceeds from demand notes payable	—	21,700
Proceeds from note payable – related party	—	15,900
Proceeds from note payable – secured related party	—	14,107
Cash provided by (used in) financing activities	(13,103)	48,487
Increase (decrease) in cash and cash equivalents during the period	17,455	(1,669)
Cash and cash equivalents, beginning of the period	1,655	3,324
Cash and cash equivalents, end of the period	$ 19,110	$ 1,655
Cash paid for:		
Interest	$ 6,125	$ 2,592
Income taxes	$ —	$ —

See Accompanying Notes to the Financial Statements

1. Description of Business and Summary of Accounting Principles

Description of Business and Concentrations

ValueSetters, Inc. ("ValueSetters," "we," "our," or the "Company") is a provider of consulting services, subscription services, advertising and digital goods using technology distribution platforms like the Internet and mobile devices in the media and entertainment markets.

The financial statements are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States of America. The Company's fiscal year end is April 30.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary after elimination of significant intercompany balances and transactions. The operations of a 100% owned subsidiary, AthenaSoft Inc., a Delaware corporation, are included beginning on October 20, 2017, the day of its formation by the Company.

Income Taxes

The Company accounts for income taxes under the asset and liability method in accordance with ASC 740. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. 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. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of deferred tax liabilities during the period in which related temporary differences become deductible. A valuation allowance has been established to eliminate the Company's deferred tax assets as it is more likely than not that none of the deferred tax assets will be realized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement with the tax authorities. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in income tax expense. The Company has determined that it had no significant uncertain tax positions requiring recognition or disclosure.

1. **Description of Business and Summary of Accounting Principles (Continued)**

Revenue Recognition under ASC 606
The Company adopted ASC 606 for the year ended April 30, 2019 on a modified retrospective basis. The Company had no material contracts outstanding at the prior year-end, and consequently there were no material effects upon adoption or on prior period activity. 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. Consequently, when an upfront fee does not relate to the transfer of a promised good or service, the fee is an advance payment for future goods or services and the Company does not recognize the fee as revenue until the future services are provided.

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 assets in the consolidated balance sheets and will be recognized during the succeeding twelve-month period .

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 years ended April 30, 2019 and 2018, which amounted to $1,013,612 and $111,171, respectively, are considered contract revenues. Contract revenue as of April 30, 2019 and 2018, which has not yet been recognized, amounted to $15,711 and $885, 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.

Costs of Services

Costs of services consist of direct costs that we pay to third parties in order to provide the services that generate revenue.

Earnings Per Share

Earnings per share is computed by dividing net income by the weighted-average number of shares outstanding. To the extent that stock options and convertible debt are anti-dilutive, they are excluded from the calculation of diluted earnings per share. For 2019 and 2018, the Company had stock options outstanding to purchase 18,000,000 shares of common stock at $0.03 per share, which were not considered in the earnings per share calculation because of their anti-dilutive effect.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Company did not have any cash equivalents during fiscal 2019 and 2018.

Stock-Based Compensation

The Company accounts for employee stock-based compensation in accordance with the guidance of FASB ASC Topic 718, Compensation – Stock Compensation which requires all share-based payments to employees, including the vesting of restricted stock grants to employees, to be recognized in the financial statements based on their fair values. The fair value of the equity instrument is charged directly to compensation expense and credited to common stock and capital in excess of par value during the period during which services are rendered.

The Company follows ASC Topic 505-50, formerly EITF 96-18, "Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling Goods and Services," for common stock issued to consultants and other non-employees. These shares of common stock are issued as compensation for services provided to the Company and are accounted for based upon the fair market value of the common stock. The fair value of the equity instrument is charged directly to compensation expense, or to prepaid expenses in instances where stock was issued under a contractual arrangement to a consultant who agreed to provide services over a period of time.

Advertising Expenses

Advertising and marketing expenses are recorded separately in the Statements of Operations and are expensed as incurred.

Investments

Investments are accounted for based upon either the cost of the investment, the fair value of the services provided or the estimated market value of the investment at the time it was acquired, whichever can be more clearly determined.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The most significant estimate relates to the accruals for income tax valuation allowance. On a continual basis, management reviews its estimates, utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Determination of Fair Value

Cash and cash equivalents, accounts receivable, and accounts payable

In general, carrying amounts approximate fair value because of the short maturity of these instruments.

Deferred Revenue

Deferred Revenue represents revenues collected but not earned as of the year end. The Company renders services, or rights to use its software, over a specific time period and revenues are recognized as earned as time passes.

Debt

At April 30, 2019 and 2018, the Company's secured debt was carried at its face value plus accrued interest. Based on the financial condition of the Company, it is impracticable for the Company to estimate the fair value of its short and long-term debt.

The Company has no instruments with significant off balance sheet risk.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02 – "Leases (Topic 842)." Under ASU 2016-02, entities will be required to recognize lease asset and lease liabilities by lessees for those leases classified as operating leases. Among other changes in accounting for leases, a lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. When measuring assets and liabilities arising from a lease, a lessee (and a lessor) should include payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Similarly, optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option. The amendments in ASU 2016-02 will become effective for fiscal years beginning after December 15, 2018, including interim periods with those fiscal years, for public business entities. We are currently evaluating the effect of the adoption of ASU 2016-02 will have on our consolidated results of operations, financial position or cash flows.

In June 2018, the FASB issued ASU 2018-7, Compensation-Stock Compensation (Topic 718), which now provides guidance for share-based payments to non-employees, resulting in alignment in accounting for employees and non-employees. The amendment is effective for public companies with fiscal years beginning after December 15, 2018. Early adoption is permitted. The Company estimates the impact of this pronouncement to its consolidated financial statements to be immaterial.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820), which makes modifications to disclosure requirements on fair value measurements. The amendment is effective for public companies with fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company is currently assessing the impact of this pronouncement to its consolidated financial statements.

In August 2018, the FASB issued 2018-15, Intangibles-Goodwill and Other-Internal Use Software (Subtopic 350-40), which reduces complexity for the accounting for the accounting for costs of implementing a cloud computing service arrangement. The amendment is effective for public companies with fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company is currently assessing the impact of this pronouncement to its consolidated financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

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, except for fiscal 2019, the Company sustained recurring losses from its continuing operations and as of April 30, 2019, had negative working capital of $518,875 and a stockholders' deficit of $865,258. 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 continuing operations, capital expenditures, lease and debt payments and working capital requirements. 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 date of these financial statements.

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 make additional marketing expenditures and hire people to generate more revenues, and consequently increase its working capital.

2. Continue to look for software niches and digital products that can be sold via an Internet-based store. Various acquisition opportunities are being considered to help the Company generate additional revenues and obtain profitability.

3. Continue to provide consulting services and continue to charge both a cash fee and an equity-based fee, when possible, in exchange for these services.

There can be no assurance that the Company will 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.

3. Debt

The following table summarizes components debt as of April 30, 2019 and 2018:

	2019	2018	Interest Rate
Secured lender (affiliate)	$ 1,000,000	$ 1,000,000	1.25%
Notes payable – related parties	76,100	76,100	0.0%
Demand notes payable	7,860	22,800	0.0 – 10.0%
Loan payable – bank	34,324	37,487	5.5%
Total Debt	$ 1,118,284	$ 1,136,387	

As of April 30, 2019 and 2018, 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 36.1% of the 752,519,212 shares issued and outstanding, as of April 30, 2019.

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 April 30, 2019 and 2018, the Company's related-party unsecured notes payable totaled $76,100. The Company also owes $34,324 and $37,487 as of April 30, 2019 and 2018, respectively, to Chase Bank. The Company paid $220 a month in principal payments on the outstanding balance for part of fiscal 2019, but Chase Bank allows the Company to pay interest only on a monthly basis, which is calculated at a rate of 5.5% per annum.

The debt to Chase Bank had been 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 fiscal 2019 and 2018 amounted to $4,600 and $6,850, respectively, and were recorded as other income.

Demand notes payable totaled $7,860 and $22,800 at April 30, 2019 and 2018, respectively.

A $200,000 unsecured note was due in September 2017 and accrued interest at an annual rate of 2%. On April 9, 2018, the holder converted the note and interest payable into 21,432,329 shares of common stock at a price of $0.01 per share. At the time of conversion the Company issued common stock valued at $122,164 to settle $214,323 in debt and accrued interest payable, resulting in a gain on debt conversion of $92,159.

A second note for $333,066 (the "Second Note"), accrued interest at 3% per annum was due in June 2017. The Second Note plus accrued interest was converted into shares of common stock on October 5, 2017. The Second Note was settled by issuing a total number of shares of 52,301,100, which were valued at $130,753, for the settlement of obligations of $443,011, resulting in a gain on debt settlement of $312,259.

In addition to the above conversions of debt into equity, in the first quarter of fiscal 2018, the Company recorded a loss of $12,295 upon the issuance of 24,590,000 shares of stock to retire $24,590 in debt, and a loss of $6,299 was recorded in the third quarter of fiscal 2018 for the retirement of $26,973 in debt by the issuance of 8,755,867 shares of common stock.

4. Fair Value Measurements

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of financial instruments on a recurring basis.

Fair Value Hierarchy

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.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below for the year ended April 30, 2019:

	Level 1	Level 2	Level 3	Total
Assets				
Investments at cost	$ —	$ —	$ 647,317	$ 647,317

As of April 30, 2018 there are no financial assets and liabilities measured at fair value.

Determination of Fair Value

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases its 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 the Company's 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.

See Note 1 for a description of valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value where it is practicable to do so for financial instruments not recorded at fair value (disclosures required by the Fair Value Measurements Topic of the FASB Accounting Standards Codification).

5. <u>Income Taxes</u>

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%. Accordingly, deferred tax assets were adjusted down by approximately $234,000. However, because the Company recorded a full valuation allowance, the decrease in deferred tax assets from the tax rate change was fully offset by a corresponding decrease in valuation allowance, and therefore, resulted in no impact to the tax expense.

At 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 2034. 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.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of April 30, 2019 and 2018 were as follows:

	2019	2018
Deferred tax assets, net:		
Net operating loss carryforwards	$ 1,300,000	$ 1,800,000
Valuation allowance	1,300,000	1,800,000
Net deferred assets	$ —	$ —

The valuation allowance decreased to approximately $1,300,000 at April 30, 2019, from $1,800,000 at April 30, 2018, approximately $234,000 of which resulted from the Tax Act and $366,000 as a result of the utilization of a net operating loss carryforward..

The following is a reconciliation of the tax provisions for the years ended April 30, 2019 and 2018 with the statutory Federal income tax rates:

	Percentage of Pre-Tax Income	
	2019	2018
Statutory Federal income tax rate	21.0%	34.0%
Loss generating no tax benefit	(21.0)	(34.0)
Effective tax rate	—	—

The Company did not have any material unrecognized tax benefits as of April 30, 2019 and 2018. The Company does not expect the unrecognized tax benefits to significantly increase or decrease within the next twelve months. The Company recorded no interest and penalties relating to unrecognized tax benefits as of and during the years ended April 30, 2019 and 2018. The Company is subject to U.S. federal income tax, as well as taxes by various state jurisdictions. The Company is currently open to audit under the statute of limitations by the federal and state jurisdictions for the years ending April 30, 2017 through 2019.

6. <u>Commitments and Contingencies</u>

Litigation

The Company is subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability, if any, is not likely to have a material effect on the financial condition, results of operations or liquidity of the Company. However, as the outcome of litigation or legal claims is difficult to predict, significant changes in the estimated exposures could occur. There are no known legal complaints or claims against the Company.

The Company utilizes office space in Boston, Massachusetts, at a cost of approximately $4,200 per month, under a month-to-month lease agreement that allows to company to end its lease by providing 30-day written notice. The lease agreement includes a deposit of $6,300.

7. Stockholders' Deficit

The Company is authorized to issue 900,000,000 shares of its common stock, par value $0.001, 752,519,212 and 731,694,210 shares were outstanding as of April 30, 2019 and 2018, respectively. In fiscal 2019, 17,825,002 shares were issued for stock-based compensation, 2,800,000 shares were issued in conjunction with a private placement memorandum for the private sale of common stock, and 200,000 shares were issued for the purchase of an Internet game company.

In fiscal 2018 38,416,668 shares were issued for stock-based compensation, 153,277,542 shares were issued for debt settlement transactions and 10,000,000 shares were issued to purchase a 20% interest in software development company. The following tables summarize information about options outstanding at April 30, 2019 and 2018.

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number Outstanding	Weighted-Average Exercise Price
As of April 30, 2019					
$0.03	18,000,000	0.02	$ 0.03	18,000,000	$ 0.03
As of April 30, 2018					
$0.03	18,000,000	1.02	$ 0.03	18,000,000	$ 0.03

	Number of Shares	Exercise Price Per Share	Average Exercise Price
Outstanding April 30, 2017	18,000,000	$ 0.03	$ 0.03
Granted during year ended April 30, 2018	-	-	-
Exercised/canceled during year ended April 30, 2018	-	-	-
Outstanding April 30, 2018	18,000,000	$ 0.03	$ 0.03
Granted during year ended April 30, 2019	-	-	-
Exercised/canceled during year ended April 30, 201	-	-	-
Outstanding April 30, 2019	18,000,000	$ 0.03	$ 0.03
Options exercisable, April 30, 2019	18,000,000	$0.03	$ 0.03

On May 7, 2014, the Company granted 5-year stock options that fully vest over a three year period to three consultants. Each consultant was granted an option to purchase up to 6 million shares of the Company's common stock at a price of $0.03 per share. The Company entered 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. All such stock option grants expired on May 7, 2019 and none of the option holders exercised their option to buy common stock.

For the years ended April 30, 2019 and 2018, the Company recorded $65,153 and $130,203, respectively, in stock-based compensation expense. As of April 30, 2019 and 2018, there was $25,699 and $60,700 of prepaid stock-based compensation expense.

The shares of common stock issued to pay for services in fiscal 2019, and their corresponding value, are listed in the table below. All shares of common stock issued in fiscal 2019 were issued after services had been performed.

Description	Shares Issued	Value of Shares
Chief Executive Officer	5,375,000	$ 9,063
Chief Financial Officer	5,375,000	9,063
Chief Marketing Officer	1,250,000	2,313
Marketing consultant	625,002	875
Marketing consultant	1,000,000	1,700
Marketing consultant	4,200,000	7,140
Total	17,825,002	$ 30,154

The shares of common stock issued to pay for services in fiscal 2018, and their corresponding value, are listed in the table below. The 10,000,000 shares valued at $70,000, for a marketing agreement, are for a two-year service period and theses shares account for the $25,699 and $60,700 of prepaid stock-compensation expense at April 30, 2019 and 2018, respectively. $16,425 in prepaid stock compensation expense at April 30, 2017 was recognized as stock-based compensation in fiscal 2018. All other shares of common stock issued in fiscal 2018 were issued after services had been performed.

Description	Shares Issued	Value of Shares
Chief Executive Officer	13,375,000	$ 35,525
Chief Financial Officer	13,375,000	60,525
Chief Technology Officer	1,250,000	1,989
Marketing agreement	10,000,000	70,000
Marketing consultant	416,668	6,438
Total	38,416,668	$ 174,477

8. Earnings Per Common Share

Earnings per common share data was computed as follows:

	2019	2018
Net income	$ 582,880	$ 131,129
Weighted average common shares outstanding	741,721,963	637,660,247
Effect of dilutive securities	—	—
Weighted average dilutive common shares outstanding	741,721,963	637,660,247
Earnings per common share – basic	$ 0.00	$ 0.00
Earnings per common share – diluted	$ 0.00	$ 0.00

For the years ended April 30, 2019 and 2018 the Company excluded 18,000,000 shares of common stock issuable upon the exercise of outstanding stock options from the calculation of earnings per share because the exercise price of the stock options was greater than the closing market price of the common stock on April 30, 2019 and 2018, and the effect would be anti-dilutive.

9. Related Party Transactions

Our largest shareholder, Vaxstar LLC, is also our working capital lender. As of April 30, 2019 and 2018, we owe our largest shareholder $1,000,000, under a term note agreement that bears interest at an annual rate of 1.25%. We have not made any principal or interest payments to our working capital lender. Unpaid interest has been accrued. Our Chief Executive Officer is also the Chief Executive Officer of Vaxstar LLC.

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.

We owe Steven Geary, a director, $31,680 as of April 30, 2019 and 2018. This obligation is not interest bearing. $16,680 is recorded as a related party trade accounts payable and $15,000 as a related party note payable. We have no signed agreements for the indebtedness to Mr. Geary.

As of April 30, 2019 and 2018, we owe $61,000 to a company controlled by one of our directors.

10. 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. The Company valued the 709 membership interest units at $647,317, based upon a private sale of Netcapital membership interest units in which an accredited investor purchased Netcapital membership interest units at a per unit price of $913 in an arms-length transaction. Such value is consistent with the standard hourly billing rate of $500 per hour charged by the Company for consulting services. The services rendered by the Company aggregated approximately 1,250 hours.

During fiscal 2018, the Company acquired a 20% interest in AthenaSoft Corp., an entity that provides programming services and sales to its wholly owned subsidiary, AthenaSoft Inc. The Company has no influence over the operations of AthenaSoft Corp. and recorded its investment at cost, which amounted to $23,000. On April 30, 2019, the Company determined its investment in AthenaSoft Corp. was impaired.

The Company recorded a valuation loss on investments at April 30, 2019 and 2018 of $23,000 and $0, respectively.

11. Concentrations

For the year ended April 30, 2019, the Company had one customer that constituted 65% of its revenues and a second customer that constituted 23% of its revenues. For the year ended April 30, 2018, the Company had one customer that constituted 33% of its revenues and a second customer that constituted 13% of its revenues.

12. Subsequent Events

The Company evaluated subsequent events through the date these financial statements were available to be issued. On July 31, 2019 the Company issued an aggregate of 2,812,500 shares of common stock to its three officers in conjunction with the established stock-based compensation vesting plans There were no other material subsequent events that required recognition or additional disclosure in these financial statements.

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 annual report on Form 10-K 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 financing 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: August 5, 2019

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 annual report on Form 10-K 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 financing 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: August 5, 2019

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 Annual Report of ValueSetters Inc. (the “Company”), on Form 10-K for the year ended April 30, 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 Annual Report on Form 10-K for the year ended April 30, 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 Annual Report on Form 10-K for the year ended April 30, 2019, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2019

By: */s/ Cecilia Lenk*
Cecilia Lenk
Principal Executive 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 Annual Report of ValueSetters Inc. (the "Company"), on Form 10-K for the year ended April 30, 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 Annual Report on Form 10-K for the year ended April 30, 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 Annual Report on Form 10-K for the year ended April 30, 2019, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2019

By: */s/ Coreen Kraysler*
Coreen Kraysler
Principal Financial Officer
ValueSetters, Inc.