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| Filer CCC* | ********** |
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| Emerging Growth Company | No |
| Elected not to use extended transition period | No |
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| Notify via Website only | No |
| E-mail 1 | gbindra@filing2sec.com |
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| (End Notifications) | |

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

**FORM 10-Q**

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

For the quarterly period ended: **July 31, 2018**

OR

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

Commission file number: **000-55036**

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

| | |
|---|---|
| **Utah** | **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)

Indicate by check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

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

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

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

As of September 10, 2018, the Company had 741,031,711 shares of its common stock, par value $0.001 per share, issued and outstanding.

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## PART I – FINANCIAL INFORMATION

**Item 1. Financial Statements.**

**VALUESETTERS, INC.**
Condensed Balance Sheets

| | July 31, 2018 | April 30, 2018 |
|---|---|---|
| | (Unaudited) | |
| **Assets** | | |
| **Current assets:** | | |
| Cash and cash equivalents | $ 16,738 | $ 1,655 |
| Accounts receivable | 6,750 | 6,750 |
| Prepaid expenses | 35,000 | 35,000 |
| Total current assets | 58,488 | 43,405 |
| Non-current prepaid expenses | 16,877 | 25,700 |
| Deposits | 6,300 | 6,300 |
| Investments at cost | 23,000 | 23,000 |
| Total assets | $ 104,665 | $ 98,405 |
| **Liabilities and Stockholders' Deficit** | | |
| **Current liabilities:** | | |
| Accounts payable | | |
| Trade | $ 278,752 | $ 278,987 |
| Related party | 16,680 | 16,680 |
| Accrued expenses | 162,675 | 149,457 |
| Deferred revenue | 838 | 885 |
| Notes payable – related parties | 76,100 | 76,100 |
| Loan payable – bank | 36,123 | 37,487 |
| Demand notes payable | 17,300 | 22,800 |
| Total current liabilities | 588,468 | 582,396 |
| Long-term secured note payable to related party | 1,000,000 | 1,000,000 |
| | 1,588,468 | 1,582,396 |
| **Commitments and Contingencies** | | — |
| **Stockholders' deficit:** | | |
| Common stock, $.001 par value; 900,000,000 shares authorized, 735,831,711 and 731,694,210 shares issued and outstanding at July 31, 2018 and April 30, 2018, respectively | 735,832 | 731,694 |
| Capital in excess of par value | 1,437,585 | 1,434,328 |
| Accumulated deficit | (3,657,220) | (3,650,013) |
| Total stockholders' deficit | (1,483,803) | (1,483,991) |
| Total liabilities and stockholders' deficit | $ 104,665 | $ 98,405 |

See Accompanying Notes to the Financial Statements

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

| | Three Months Ended July 31, 2018 | Three Months Ended July 31, 2017 |
|---|---|---|
| Revenues | $ 91,918 | $ 1,933 |
| Cost of revenues | 4,579 | — |
| Gross profit | 87,339 | 1,933 |
| Cost and expenses: | | |
| | | |
| Selling, general and administrative | 76,003 | 36,966 |
| Stock-based compensation | 16,216 | 33,215 |
| Total costs and expenses | 92,219 | 70,181 |
| Loss from operations | (4,880) | (68,248) |
| Other income (expense) | | |
| Interest expense | (5,027) | (29,049) |
| Loss on debt settlement | — | (12,295) |
| Other income | 2,700 | 950 |
| Total other income (expense) | (2,327) | (40,394) |
| Net loss before taxes | (7,207) | (108,642) |
| Income tax | — | — |
| Net loss | $ (7,207) | $ (108,642) |
| Basic and diluted loss per share | $ 0.00 | $ 0.00 |
| Weighted average number of basic and diluted shares outstanding | 731,937,009 | 533,572,308 |

See Accompanying Notes to the Financial Statements

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

| | Three Months Ended July 31, 2018 | Three Months Ended July 31, 2017 |
|---|---|---|
| Operating activities | | |
| Net loss | $ (7,207) | $ (108,642) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock-based compensation | 16,216 | 33,215 |
| Loss on debt settlement | — | 12,295 |
| Changes in non-cash working capital balances | | |
| Deposits | — | (6,300) |
| Accounts payable | (235) | 27,676 |
| Accrued expenses | 8,426 | 3,635 |
| Deferred revenue | (47) | (54) |
| Cash used in operating activities | 17,153 | (38,175) |
| Financing activities | | |
| Payments on bank loan | (1,570) | (660) |
| Payments on demand note | (5,500) | — |
| Proceeds from subscription agreement | 5,000 | |
| Proceeds from demand note payable | — | 21,700 |
| Proceeds from note payable – secured related party | — | 14,107 |
| Cash provided by (used in) financing activities | (2,070) | 35,147 |
| Decrease in cash and cash equivalents during the period | (15,083) | (3,028) |
| Cash and cash equivalents, beginning of the period | 1,655 | 3,324 |
| Cash and cash equivalents, end of the period | $ 16,738 | $ 296 |
| Cash paid for: | | |
| Interest | $ 660 | $ 632 |
| Income taxes | $ — | $ — |
| Non-cash financing activities | | |
| Common stock issued for debt settlement | $ — | $ 24,590 |

See Accompanying Notes to the Financial Statements

**VALUESETTERS, INC.**

**Notes To Condensed Financial Statements (Unaudited)**

Note 1– Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for quarterly reports on Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended July 31, 2018, are not necessarily indicative of the results that may be expected for the fiscal year ending April 30, 2019. For further information, refer to the audited financial statements and footnotes thereto in our Annual Report on Form 10-K for the year ended April 30, 2018.

Note 2 – Going Concern Matters and Realization of Assets

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. However, the Company has sustained recurring losses from its continuing operations as of July 31, 2018, had negative working capital of $529,980 and a stockholders' deficit of $1,483,803. In addition, the Company is unable to meet its obligations as they become due and sustain its operations. These conditions and events that require management's consideration, when considered in the aggregate, indicate that the Company will be unable to meet its obligations as they become due within one year after the issuance date of these financial statements. The Company believes that its existing cash resources are not sufficient to fund its continuing operating losses, capital expenditures, lease and debt payments and working capital requirements.

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

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

Management's plans include:

1. Seek to raise debt or equity for working capital purposes and to pay off existing debt balances. With sufficient additional cash available to the Company, it can begin to make marketing expenditures and hire people to generate more revenues, and consequently cut monthly operating losses.

2. Continue to look for software niches and other digital products that can be sold via an Internet-based store. Various acquisition opportunities may help us generate the revenues we are seeking and be a quicker path to profitability than organic growth.

3. Continue to provide advisory services to companies seeking to raise capital and assist them with capital raises. Beginning in the quarter ended July 31, 2018, the Company has generated more consulting revenue than any other quarter in its history.

Management has determined, based on its recent history and its liquidity issues, that it is not probable that management's plans will sufficiently alleviate or mitigate, to a sufficient level the relevant conditions or events noted above. Accordingly, 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 issuance date of the financial statements.

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

Note 3 – Loss Per Common Share

Loss per common share data was computed as follows:

| | Three Months Ended July 31, 2018 | Three Months Ended July 31, 2017 |
|---|---|---|
| Net loss | $ (7,207) | $ (108,642) |
| Weighted average common shares outstanding | 731,937,009 | 533,572,308 |
| Effect of dilutive securities | — | — |
| Weighted average dilutive common shares outstanding | 731,937,009 | 533,572,308 |
| Loss per common share – basic | $ (.00) | $ (.00) |
| Loss per common share – diluted | $ (.00) | $ .(00) |

For the three-month periods ended July 31, 2018 and 2017, the Company excluded 18,000,000 and 38,733,333 shares of common stock, respectively, issuable upon the exercise of outstanding stock options and fixed-rate convertible debt from the calculation of net loss per share because the effect would be anti-dilutive.

Note 4 – Principal Financing Arrangements

The following table summarizes components debt as of July 31, 2018 and April 30, 2018:

| | July 31, 2018 | April 30, 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 | 17,300 | 22,800 | 0.0 – 10.0% |
| Loan payable – bank | 36,123 | 37,487 | 5.5% |
| Total Debt | $ 1,129,523 | $ 1,136,387 | |

As of July 31, 2018 and April 30, 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 36.9% of the 735,831,711 shares issued and outstanding, as of July 31, 2018.

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 July 31, 2018 and April 30, 2018, the Company's related-party unsecured notes payable totaled $76,100. The Company also owed $36,123 and $37,487 as of July 31, 2018 and April 30, 2018, respectively, to Chase Bank. The Company pays monthly principal payments on the outstanding balance, plus the monthly interest expense, which is calculated at a rate of 5.5% per annum.

The debt to Chase Bank is 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 requires the third-party make monthly payments to Chase Bank to pay down the money owed to Chase Bank. Total payments received from the third-party in the three months ended July 31, 2018 and 2017 amounted to $2,700 and $950, respectively, and were recorded as other income.

Demand notes payable totaled $17,300 and $22,800 at July 31, 2018 and April 30, 2018.

The Company owed $533,066 at April 30, 2017 to two individual note holders. A $200,000 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 in the fourth quarter of fiscal 2018.

A second note for $333,066 (the "Second Note"), accrued interest at 3% per annum was due in June 2017. This 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 the second quarter of fiscal 2018.

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.

Note 5 – Income Taxes

At July 31, 2018 and April 30, 2018, the Company had net operating loss carryforwards for Federal income tax purposes of approximately $1,800,000 expiring in the years of 2019 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.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "Act") was signed into law. The Act makes broad and significantly complex changes to the U.S. corporate income tax system by, among other things; reducing the U.S. federal corporate income tax rate from 35% to 21%, and potentially impacting our net operating loss carryforwards. Given the significant changes resulting from and complexities associated with the Act, the estimated financial impacts for fiscal 2018 are provisional. The ultimate outcome may differ from these provisional amounts, due to, among other things, additional analysis, changes in interpretations and assumptions the Company has made, additional regulatory guidance that may be issued and actions the Company may take as a result of the Act. Actual impacts on the Company's net operating loss carryforwards are expected to be finalized after the Company's 2018 U.S. corporate income tax return is filed.

Due to the loss for the three-month periods ended July 31, 2018 and 2017, the Company has recorded no income tax expense in either of these three-month periods.

Note 6 – Related Party Transactions

The Company's largest shareholder is also its principal lender. Our Chief Executive Officer is also the Chief Executive Officer of our largest shareholder. As of July 31, 2018 and April 30, 2018, the Company owed its largest shareholder, under a secured lending agreement, $1,000,000. Under the existing loan agreement, as amended, the maximum amount of the loan is $1,250,000, and the loan matures on October 31, 2020. The largest shareholder of the Company owns 271,371,454 shares of common stock, or 36.9% of the 735,831,711 shares issued and outstanding.

The Company owes a director $31,680 as of July 31, 2018 and April 30, 2018, which is recorded as accounts payable.

The Company owes a related party $76,100 as of July 31, 2018 and April 30, 2018 under a note payable with interest at 8% per annum, which had a maturity date of November 18, 2017.

Accrued interest payable on related party debt amounted to $12,050 and $7,990 at July 31, 2018 and April 30, 2018, respectively. Such amounts are included in accrued expenses.

Note 7 – Stockholders' Deficit

The Company is authorized to issue 900,000,000 shares of its common stock, par value $0.001. 735,831,711 and 731,694,210 shares were outstanding as of July 31, 2018 and April 30, 2018, respectively.

In the first quarter of fiscal 2019, the Company issued 200,000 restricted shares of stock in conjunction with the purchase of a virtual reality game known as SpaceoutVR. The Company committed to issuing 2,800,000 to the former owners of SpaceoutVR in a private placement for an aggregate amount of $5,000. The subscription agreement documents have not been completed and the 2,800,000 shares have not yet been issued. The $5,000 purchase price has been received and is accounted for as a liability at July 31, 2018. The Company also issued 3,937,501 restricted shares of common stock as part of stock-based compensation agreements.

In the first quarter of fiscal 2018, the Company issued 10,000,000 shares of restricted stock to its Chief Executive Officer and 24,590,000 to a creditor to settle $24,590 in debt.

Note 8 – Fair Value

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

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date.

- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: inputs are unobservable inputs for the asset or liability.

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

Note 9 – Stock-Based Compensation Plans

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. For the three-month periods ended July 31, 2018 and 2017, the Company recorded $16,216 and $33,215, respectively, in stock-based compensation expense. As of July 31, 2018, there was $51,877 of prepaid stock-based compensation expense for services that end in January 2020.

Note 10 – Deposits

The company utilizes office space in Boston, Massachusetts, 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.

Note 11 – Subsequent Events

In August 2018 the Company issued 5,200,000 shares of common stock as stock-based compensation to consultants.

The Company evaluated subsequent events through September 10, 2018, the date these financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure in these financial statements.

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

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

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

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

**Overview**

We are an Internet-based company, which seeks free subscribers and revenue-generating subscribers for digital products that we offer to game players and app users, and a consulting company, which takes equity positions in early-stage companies, or cash fees, in exchange for consulting services. We look for companies that operate on an automated basis with the belief that Internet operations, customer sign-ups, sales and game playing should occur without requiring a Company employee to participate in the transaction, so that it is possible for the Company to quickly expand in the event the number of subscribers begins to rapidly grow on a viral basis. Our own back-office software operates 24 hours a day and can quickly collect money from and deliver games to subscribers.

We intend to employ personnel in such areas as sales, technical support and finance once we have increased our revenues or received an injection of capital that is sufficient to support such personnel. In addition to our online chess subscriptions, we recently purchased an online virtual-reality company. The subscriber signups are automated; we have not hired any new employees to support this activity. Our Chief Executive and Chief Financial officers have been working for stock-based compensation only. Due to an increase in our revenues, in the first quarter of fiscal 2019, we hired a Chief Marketing Officer, and the bulk of her compensation is in cash. As we grow our revenues, we plan to hire additional employees, which will result in an increase in our selling, general and administrative expenses.

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 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 (see https://netcapital.com) and have invested in additional early-stage companies that we met through NetCapital by providing our consulting services. We believe our investment and future revenue potential from our relationship with NetCapital is significant. In the first quarter of fiscal 2019, $75,000 in revenues came from consulting we performed for a company that intends to prepare an offering statement and use NetCapital for a crowdfunding raise. Furthermore, we owned 15% 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. Our operations may never generate significant revenues, and we may never achieve profitable operations.

**Results of Operations**

*For the Three Months Ended July 31, 2018 Compared to the Three Months Ended July 31, 2017*

Our revenues for the three-months ended July 31, 2018 increased by $89,985, or 4,655%, to $91,918 as compared to $1,933 reported for the three months ended July 31, 2017. The increase in revenues is attributable to the new consulting services we provided to companies seeking to raise capital in the quarter ended July 31, 2018.

Costs of revenues increased by $4,579, to $4,579 for the three-months ended July 31, 2018 from $0 reported in the three-months ended July 31, 2017. The increase is primarily attributable to services we purchased in fiscal 2019 in conjunction with providing consulting services for our customers to raise capital via equity crowdfunding. Such services were not provided by us in fiscal 2018.

Selling, general and administrative expenses increased by $39,737, to $76,703 for the three-months ended July 31, 2018 from $36,966 reported in the three-months ended July 31, 2017. The increase is primarily attributable to compensation we paid our Chief Marketing Officer in the July 31, 2018 quarter.

Stock-based compensation decreased by $16,999, to $16,216 for the three-months ended July 31, 2018 from $33,215 reported in the three-months ended July 31, 2017. The decrease is primarily attributable fewer shares of our common stock being issued for compensation in the July 31, 2018 quarter, as compared to the July 31, 2017 quarter.

Interest expense decreased by $24,022 to $5,027 for the three-months ended July 31, 2018, as compared to $29,049 for the three months ended July 31, 2017. The decrease in interest expense is attributable to reduced debt amounts of more than $700,000 at July 31, 2018, and a reduction in interest expense from 8% per annum to 1.25% per annum from our senior secured lender.

**Liquidity and Capital Resources**

At July 31, 2018, we had cash and cash equivalents of $16,738 and negative working capital of $529,980 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 (used in) operating activities amounted to $22,153 and ($38,175) in the three-months ended July 31, 2018 and 2017, respectively. The principal use of cash from operating activities in the three-months ended July 31, 2018 was the net loss of $7,207, but it was offset by a non-cash item, stock-based compensation of $15,516, and an increase in accrued expenses of $14,126. The principal use of cash from operating activities in the three-months ended July 31, 2017 was the net loss of $108,642, which was offset by two non-cash items, a loss on debt settlement of $12,295 and stock-based compensation of $33,215. In addition, there was an increase in accounts payable of $27,676.

There was no investing activity in the three-months ended July 31, 2018 and 2017.

Net cash used in financing activities amounted to $2,070, which consisted of $5,000 in cash proceeds from subscription agreements and $7,070 in principal payments of outstanding loans in the three months ended July 31, 2018. Net cash provided by financing activities aggregated $35,147 in the three-months ended July 31, 2017. The principal use of cash was payments of bank debt of $660, which was offset by proceeds of $21,700 in notes payable and $14,107 of additional borrowing from our secured lender

In the three-months ended July 31, 2018 and 2017, there were no expenditures for capital assets. We do not anticipate any capital expenditures in fiscal 2019.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of our company as a going concern. However, we have sustained net losses from operations during the last several years, and we have very limited liquidity. 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 our game applications. Although we are choosing methods of growth that potentially minimize the use of cash, and we were successful in the quarter ended July 31, 2018 to generate positive cash flow from operations of $22,153, we cannot be assured that we will be able to continue our success until we have secured customers that will provide us with repeat business. Furthermore, the most recent report of our independent registered public accounting firm expresses doubt about our ability to continue as a going concern. Our operating losses have been funded primarily through borrowings from related-party lenders.

Our required debt payments for a bank loan, which has a balance of $39,447 at July 31, 2017, amounts to $675 a month of principal and approximately $200in interest. 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 are not yet profitable, we generated cash from operations in the quarter ended July 31, 2018, and were able to make debt service payments to non-affiliated lenders without borrowing money. We believe we have short-term financing available from our largest shareholder to fund a monthly cash-flow deficit, if needed. While we continually look for other financing sources, in the current economic environment, the procurement of outside funding is extremely difficult and there can be no assurance that such financing will be available, or, if available, that such financing will be at a price that will be acceptable to us. Failure to generate sufficient revenues or raise additional capital will have an adverse impact on our ability to achieve our longer-term business objectives, and will adversely affect our ability to continue operating as a going concern.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

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

**Item 4. Controls and Procedures.**

*(a) Disclosure Controls and Procedures.*

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

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

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

*(b) Changes in Internal Control Over Financial Reporting*

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

## PART II – OTHER INFORMATION

**Item 1. Legal Proceedings.**

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

**Item 1A. Risk Factors.**

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

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

During the three-month period ended July 31, 2018, we issued 200,000 shares of common stock to purchase a virtual reality game business and we circulated to the owners of the business a subscription agreement to purchase up to 2,800,000 shares of our common stock (the "Shares") for an aggregate purchase price of $5,000. We intend to issue the Shares when all the subscription agreements have been executed. We also issued 3,937,501 shares of common stock to our executives and consultants as part of a compensation package.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

31 Rule 13a-14(a) Certification
32 Rule 13a-14(b) Certification

101.INSXBRL Instance
101.SCHXBRL Schema
101.CAL XBRL Calculation
101.DEFXBRL Definition
101.LABXBRL Label
101.PREXBRL Presentation

**SIGNATURES**

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

Date: September 10, 2018

**VALUESETTERS, INC.**

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

By: */s/ Coreen Kraysler*
Coreen Kraysler
Principal Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Cecilia Lenk, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ValueSetters, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 10, 2018

By: */s/ Cecilia Lenk*
Cecilia Lenk
Principal Executive Officer,
ValueSetters, Inc.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Coreen Kraysler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ValueSetters, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 10, 2018

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

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

In connection with this Quarterly Report of ValueSetters Inc. (the “Company”), on Form 10-Q for the quarter ended July 31, 2018, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Cecilia Lenk, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) Such Quarterly Report on Form 10-Q for the quarter ended July 31, 2018, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in such Quarterly Report on Form 10-Q for the quarter ended July 31, 2018, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 10, 2018

By: */s/ Cecilia Lenk*
Cecilia Lenk
Principal Executive Officer,
ValueSetters, Inc.

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

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

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

In connection with this Quarterly Report of ValueSetters Inc. (the "Company"), on Form 10-Q for the quarter ended July 31, 2018, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Coreen Kraysler, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

(3) Such Quarterly Report on Form 10-Q for the quarter ended July 31, 2018, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(4) The information contained in such Quarterly Report on Form 10-Q for the quarter ended July 31, 2018, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 10, 2018

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

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

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