Financial Statements

Of

Titan Health Management Solutions Inc.

For the Six Months Ended

June 30, 2014

(Expressed in U.S. dollars)

Index

NOTICE TO READERS

No Auditor Review of the Interim
Financial Statements

The accompanying unaudited interim financial statements of Titan Health Management Solutions Inc. ("the Company"), for the six-month period ended June 30, 2014 have been prepared by management and have not been the subject of a review by the Company's external independent auditor.

Titan Health Management Solutions Inc.

Vancouver, British Columbia
June 17, 2015

Titan Health Management Solutions Inc.

Interim statements of operations and comprehensive loss

For the period ended June 30, 2014

	Notes		3 months ended 30 June 2014	3 months ended 30 June 2013		6 months ended 30 June 2014	6 months ended 30 June 2013
Consulting Revenue		$	**435,078**	277,201	$	**1,192,416**	635,781
EXPENSES							
Payroll and personnel related expenses			**562,542**	313,992		**938,678**	560,961
Depreciation			3,530	3,530		**7,060**	**7,060**
Interest and bank charges			**6,173**	7,532		**13,592**	16,406
Dues and subscriptions			**5,505**	3,775		**11,851**	4,726
Office, and supplies			**5,125**	6,036		**8,750**	7,954
Telephone and communication			**5,417**	4,684		**10,092**	8,567
Consulting			**20,298**	17,992		**45,625**	30,978
Professional fees			**9,918**	2,702		**22,267**	5,437
Commission			**8,343**	5,105		**16,931**	7,979
Rent			**23,882**	16,094		**48,684**	24,458
Equipment rental			**2,722**	1,446		**4,643**	3,240
Insurance			**6,924**	2,641		**13,785**	5,266
Travel			**5,387**	1,768		**10,068**	3,746
Miscellaneous			**8,119**	(1,017)		**16,911**	2,234
TOTAL EXPENSES			**673,885**	386,280		**1,168,937**	689,012
PROFIT/(LOSS) BEFORE OTHER ITEMS		$	**(238,807)**	(109,079)	$	**23,479**	(53,231)
OTHER ITEMS							
Interest income			**-**	-		**-**	-
Gain or (loss) on assets disposal			**-**	-		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD			**(238,807)**	(109,079)		**23,479**	(53,231)
Basic and diluted (loss)/earning per share	13	$	**(2,132)**	(974)	$	**210**	(475)
Weighted average number of shares outstanding			**112**	112		**112**	112

Titan Health Management Solutions Inc.
Interim statements of financial position
As at June 30, 2014

	Notes	30 June 2014	31 December 2013
ASSETS			
CURRENT			
Cash	6	**$ 6,513**	$ 7,737
Loans receivables		**20,595**	11,898
Prepaid expenses		**-**	49,153
Accounts receivable	7	**214,407**	49,243
		241,515	118,030
NON-CURRENT ASSETS			
Property and equipment	8	**31,045**	12,900
TOTAL ASSETS		**272,560**	130,930
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT			
Bank overdraft	6	**-**	162,377
Accounts and other payables	9	**266,651**	125,293
Due to related parties	10	**215,494**	215,494
Short term debt	11	**195,516**	36,667
		677,661	539,831
Long tern debt	11	**70,278**	68,958
Shareholders' equity			
Share capital	12	**1**	1
Additional paid in capital		**40,000**	40,000
Contribution		**46,800**	46,800
Deficit		**(562,180)**	(564,660)
		(475,379)	(477,859)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 272,560**	$ 130,930

(The accompanying notes are an integral part of these financial statements.)

Titan Health Management Solutions Inc.
Interim statement of cash flows
For the period ended June 30, 2014

	Notes		30 June 2014		30 June 2013
Cash flows from operating activities					
Net loss for the period		$	**23,479**	$	(53,231)
Adjustment to add non-cash items:					
Loss on assets disposal/donation			**-**		-
Dividends declared			**(20,999)**		-
Depreciation			**7,060**		7,060
			9,540		(46,171)
Changes in non-cash working capital					
Accounts receivable			**(173,862)**		(121,775)
Prepaid assets			**49,153**		-
Trade payables and accrued liabilities			**141,358**		130,094
Cash flow from (used) by operating activities			**26,189**		(37,852)
Cash flows from investing activities					
Property Plant and Equipment			**(25,205)**		(2,307)
Cash flow from (used) by investing activities			**(25,205)**		(2,307)
Cash flows from financing activities					
Loan repayment			**160,169**		(27,110)
Cash flow from (used) by financing activities			**160,169**		(27,110)
INCREASE (DECREASE) IN CASH FLOW			**161,153**		(67,270)
CASH - Beginning of year			**(154,640)**		156,865
CASH - End of year	6	**$**	**6,513**	$	89,595
			-		
Supplementary disclosure:					
Cash paid for:					
Interest paid		**$**	**12,565**	$	28,974
Income taxes		**$**	**-**	$	-

(The accompanying notes are an integral part of these financial statements.)

	Note	Number of Shares		Capital Stock		Additional paid in capital		Contributions		Deficit		Total Equity
Balance as at December 31, 2012		112	$	1	$	150,000	$	46,800	$	(439,204)	$	(242,403)
Loss for the period				-		-		-		(53,231)		(53,231)
Shareholder withdrawal	12			-		(110,000)		-		-		-
Dividends				-		-		-		-		-
Balance as at June 30, 2013		112	$	1	$	40,000	$	46,800	$	(492,435)	$	(405,634)
Balance as at December 31, 2013		112	$	1	$	40,000	$	46,800	$	(564,660)	$	(477,859)
Profit for the period				-		-		-		23,479		23,479
Dividends				-		-		-		(20,999)		(20,999)
Balance as at June 30, 2014		**112**	**$**	**1**	**$**	**40,000**	**$**	**46,800**	**$**	**(562,180)**	**$**	**(475,379)**

1. GENERAL BUSINESS DESCRIPTION AND GOING CONCERN

Titan Health Management Solutions Inc. ("the Company") provides revenue cycle management solutions to U.S. hospitals, delivered collaboratively, utilizing proprietary workflow document management and analytics management tailored to health care business processes. The Company is currently focused on the denied claim segment of revenue cycle management and provides solutions to enhance the efficiency and effectiveness of denied claims recovery in a revenue sharing relationship that improves hospitals' net operating results.

The Company was incorporated on October 7th, 2002 in Arizona, United States of America. The business address of the Company's corporate office and principal place of business is 2024 North Water View Ct. Tucson, Arizona 85749.

The financial statements were prepared on a going concern basis, under the historical cost convention. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company has minimal capital resources presently available to meet obligations which normally can be expected to be incurred by similar companies and has a working capital deficit of $436,146 (2013 – $421,081) a profit for the six months of $23,479 (2013 – loss of $53,231) and a deficit of $562,180 (2013 - $564,660). Management of the Company does not expect that cash flows for the Company's operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms.

2. BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

The interim financial statements for the period ended June 30, 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements may not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2013.

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these financial statements are in accordance with IFRS.

The financial statements are presented in Unites States dollars, which is also the Company's functional currency, unless otherwise indicated.

Use of estimates and judgments

The preparation of the unaudited condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed consolidated interim financial statements. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Depreciation

The Company's management exercises its judgment in estimating the useful lives of the depreciable assets. The estimated useful lives reflect the management's estimate of the periods the Company intends to derive future economic benefits from the use of these assets. The Company depreciates its capital assets in accordance with the accounting policies stated in Note 3.

ii) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Determination of functional currency

The functional currency is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency for the Company is the U.S. dollars. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign exchange

Transactions in currencies other than the U.S. dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are recognized through profit or loss.

Cash

Cash includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and subject to an insignificant risk of change value.

Capital assets

Capital assets are carried at cost less accumulated depreciation.
Depreciation expense is calculated using the double declining balance method.

The useful lives of the major capital assets categories are as follows:

Vehicles	5 Years
Furniture and fixtures	55%
Computer and electronic equipment	20%

The Company regularly reviews its capital assets to eliminate obsolete items.

Financial instruments

<u>Financial assets</u>

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through profit or loss.

The Company has not classified any financial assets as held-to-maturity or available for sale.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Company has classified its cash as fair value through profit or loss. The Company’s receivables and due from related parties are classified as loans and receivables.

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Other financial liabilities: This category includes short term loans, promissory notes, convertible debts, amounts due to related parties, and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

Impairment

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to Other Comprehensive Income "OCI". For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually in May and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually in May at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period/year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income taxes

The stockholders have elected to have the Company treated as an “S” corporation for income tax purposes as provided in Section 1362 (a) of the Internal Revenue Code, etc. An S corporation is generally not subject to federal income tax and is subject to Arizona state tax on its entire net income.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Interest-bearing loans and other borrowings

Interest-bearing loans and other borrowings are recognized initially at fair value less related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of borrowings on an effective interest basis.

Revenue recognition

i) Contract revenue – Contract revenue is recognized when services are delivered to the clients and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

ii) Rendering of services – Revenue from consulting services, capital cost recapture and debt collection is recognized when billed to the customer. Invoices are issued to customers when the service is rendered and all risks are transferred.

The company recognized $1,192,417 as revenue during the period ended June 30, 2014 (2013 - $635,781).

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Internally generated intangible assets

In accordance with IAS 38 Paragraph 68, The Company records any expenditure on internally generated intangible assets in its statement of operations in the year the expenditure is incurred, unless the expenditure meets both recognition and measurement criteria as per IAS 38.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments
IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures,

issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will not have an impact on classification and measurements of the Company's financial liabilities. The Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Company, since none of the entities in the Company would qualify to be an investment entity under IFRS 10.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Company.

IFRIC Interpretation 21 Levies (IFRIC 21)
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as
identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Company does not expect that IFRIC 21 will have material financial impact in future financial statements.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Company has not novated its derivatives

4. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in demand certificates of deposit with major financial institutions.

There have been no changes to the Company's approach to capital management during the six months ended June 30, 2014.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of receivables, due from related parties, accounts payable and accrued liabilities, convertible debt, due to related parties and short term loan.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy.
The fair value of convertible debt is measured on the statement of financial position using level 2 of the fair value hierarchy.
The fair values of receivables, due from related parties, accounts payable and accrued liabilities, due to related parties and short term loan approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if its counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company manages this credit risk by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist primarily of accounts receivables, prepaid expenses and loans receivables. The Company does not believe it has a material exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 4. There is a risk that the Company may not be able to meet its financial obligation when they are due. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at February 28, 2015 the Company has no financial assets that are past due or impaired due to credit risk defaults.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the United States dollar as the Company's head office and operations are in Arizona, USA. All of the Company's financial instruments are denominated in United States dollars. In management's opinion there is no significant foreign exchange risk to the Company.

Transaction Costs

Transaction costs attributable to the acquisition or issue of financial assets or financial liabilities, other than those classified as held-for-trading, are added to the initial fair value amount to match the costs with the related transactions. Purchases and sales of securities are accounted for on the settlement date basis.

6. CASH AND BANK BALANCES

The bank balances at period end comprises of the cash amount in the Company's checking account and the drawn amount of the overdraft facility.

	June 30, 2014	2013
Cash at bank	$ 6,513	$ 7,737
Bank overdraft	-	(162,377)
Bank balance at year end	$ 6,513	$ (154,640)

Bank overdraft facility

The Company has the following bank facilities at period end

Financial institution	Facility limit	Drawn balance 2013	Drawn balance 2013	Annual interest rate
Wells Fargo	(60,000)	-	(41,592)	10.75%
Bank of America (facility #1)	(85,000)	-	(52,825)	8.00%
Bank of America (facility #2)	(100,000)	-	(67,960)	6.88%
	(245,000)	-	(162,377)	

All overdraft facilities are renewable yearly and secured by the shareholders personal assets.

7. ACCOUNTS RECEIVABLE

The receivables of the Company consist of the unbilled contract revenue recognized to date of the financial statements calculated based on the contractual percentage of the actual collection at period end but not yet invoiced to the client due to contract terms or the timing of the accounting invoicing cycle.

8. CAPITAL ASSETS

	Vehicles	Furniture and Fixtures	Computers and electronic equipment	Total
Cost				
As at December 31, 2012	$ 58,997	$ 5,301	$ 57,639	$ 121,937
Additions	-	2,827	11,792	14,619
Disposals	-	-	-	-
Balance as at December 31, 2013	$ 58,997	$ 8,128	$ 69,431	$ 136,556
Additions	-	-	25,205	25,205
Disposals	-	-	-	-
Balance as at June 30, 2014	**58,997**	**8,128**	**94,636**	**161,761**
Accumulated Depreciation				
As at December 31, 2012	$ 58,997	$ 4,447	$ 46,093	$ 109,537
Depreciation charge for the year	-	2,744	11,375	14,119
Disposals	-	-	-	-
Balance as at December 31, 2013	**$ 58,997**	**$ 7,191**	**$ 57,468**	**$ 123,656**
Depreciation charge for the period	-	174	6,886	7,060
Disposals	$ -	$ -	$ -	$ -
Balance as at June 30, 2014	**58,997**	**7,365**	**64,354**	**130,716**
Net Book Value				
As at December 31, 2013	-	937	11,963	12,900
As at June 30, 2014	-	763	30,282	31,045

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2014		2013
Accounts payable	$	115,238	$	55,159
Accrued interest on loans payable to related parties ***(Note 10)***		-		69,465
Other accruals		151,413		669
	$	266,651	$	125,293

10. RELATED PARTIES TRANSACTIONS

The Company's transactions with related parties is summarized in the following table

Related Party	**Nature of relation**			**Outstanding loan balance**	**Annual interest rate**	**Accrued interest *(Note 9)***	**Interest expense**
Thomas Hoehner	CEO/Director	2014	$	836	-	-	-
		2013		836	-	-	-
Todd Hisey	Director	2014	$	136,956	5.50%	-	-
		2013		136,956	5.50%	62,315	8,902
James and Sharon Hoehner	Close family memebers to one of the Directors	2014	$	27,202	-	-	-
		2013		27,202	-	-	-
David Hisey	Close family memeber to one of the Directors	2014	$	50,500	6.50%	-	-
		2013		50,500	6.50%	7,150	-
		June 30, 2014	$	215,494		-	
		2013	$	215,494		69,465	

The loans from related parties have no specific repayment term and are secured by a security agreement and Uniform Commercial Code Financing statement giving Lender a security interest in the equipment, fixtures, and accounts receivable of the Titan Health Management Solutions, Inc.

Remuneration of key management personnel

The company paid total salaries of $938,678 through June 30, 2014 (2013: $560,961) and dividends of nil (2013: 20,999).

11. LOANS

The following schedule summarizes the loan balances at period end and their repayment terms

Loan	Effective interest rate	Maturity	June 30, 2014	2013
Chase bank loan Secured by the Vehicle owned by the Company - Total loan amount $49,000	6%	Feb-15	15,336	20,070
Ray Trevino loan Unsecured loan - total amount of $110,000	nil	Apr-16	67,222	85,555
Short term portiom			36,667	36,667
Long term portion			45,891	68,958

The principle repayment of the above loans over the next 5 years is as follows:

	$
2014	23,520
2015	46,816
2016	12,222
2017	-
2018	-

12. SHARE CAPITAL

Common stock

Authorized - 118 common shares with par value of $0.01

Issued and outstanding – 112 common shares

During the six months ended June 30, 2014, the Company had the following share capital transactions:

On February 2013, one of the Shareholders surrendered all ownership, interest and stock of the Company to the Company and resigned from the board, in return the Company agreed to pay back all their initial investment in the Company. The transaction resulted in decrease of the value of outstanding share capital by $110,000, the number of outstanding shares remain unchanged after this transaction.

13. BASIC AND DILUTED EARNING (LOSS) PER SHARE

The calculation of basic earnings (loss) per share for the six months ended June 30, 2014 was based on the net profit attributable to common shareholders of $23,479 (2013 – loss of $53,231) and the weighted average number of common shares outstanding of 112 (2013 – 112) respectively.

The Company does not have any instruments that would give rise to a dilution effect.

14. SUBSEQUENT EVENTS

On July 3, 2014, the Company closed an assets sales agreement with Certive Solution Inc. The assets sold include all of the computer hardware and software necessary to conduct the business, the contracts that the Company has with its hospital customers, the brand and logos of Titan, and all of the intellectual properties used by the Company to conduct its business.

The sale price for the assets was two million seven hundred and eleven U.S. dollars ($2,711,000 USD). The Company received one hundred thousand U.S. dollars ($100,000 USD) in cash) on July 3, 2014. With the remaining balance is to be received subsequently in the form of cash, convertible notes and shares in Certive Solution Inc.