



**Interim Financial Statements**

**March 31, 2014**

## NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the International Financial Reporting Standards established by the International Accounting Standards Board for a review of interim financial statements by an entity's auditor.

John D. Pennal  
*President*

Jenifer Cho  
*Director of Finance*

May 23, 2014

**Aylen Capital Inc.**  
**Interim Statements of Financial Position - Unaudited**  
(In Canadian Dollars)

	As at March 31, 2014	As at December 31, 2013
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 4)	\$ 10,943	\$ 100,172
Marketable securities (Note 5)	210,382	226,219
Accounts receivable (Note 6)	17,637	31,769
HST recoverable	12,928	7,202
Prepaid expenses and sundry assets (Note 7)	8,950	10,218
	<b>260,840</b>	<b>375,580</b>
<b>Investments</b> (Note 8)	<b>1,855,890</b>	<b>1,843,890</b>
<b>Property and equipment</b> (Note 9)	<b>1,262</b>	<b>1,622</b>
	<b>\$ 2,117,992</b>	<b>\$ 2,221,092</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 67,355	\$ 133,053
Deferred revenue	142,238	234,211
	<b>209,593</b>	<b>367,264</b>
<b>Note payable</b> (Note 11)	<b>713,839</b>	<b>713,839</b>
	<b>923,432</b>	<b>1,081,103</b>
<b>Shareholders' Equity</b>		
<b>Capital stock</b> (Note 12)	<b>1,350,570</b>	<b>1,350,570</b>
<b>Contributed surplus</b> (Note 12)	<b>286,514</b>	<b>286,514</b>
<b>Deficit</b>	<b>(442,524)</b>	<b>(497,095)</b>
	<b>1,194,560</b>	<b>1,139,989</b>
	<b>\$ 2,117,992</b>	<b>\$ 2,221,092</b>

The accompany notes form an integral part of these financial statements

**Aylen Capital Inc.**  
**Interim Statements of Comprehensive Income - Unaudited**  
**For the Three Months ended March 31, 2014 and 2013**  
(In Canadian Dollars)

	2014	2013
<b>Revenues</b>		
Sales revenue	\$ 230,040	\$ 148,507
Interest and other income	1,091	2,193
Realized gain on sale of marketable securities	1,430	1,233
Unrealized gain on value of marketable securities	5,552	19,850
	<b>238,113</b>	<b>171,783</b>
<b>Expenses</b>		
General and administrative	90,883	89,297
Selling expenses	92,298	96,272
Amortization	361	993
	<b>183,542</b>	<b>186,562</b>
<b>Net and comprehensive Income (loss) for the period</b>	<b>\$ 54,571</b>	<b>\$ (14,779)</b>

**Net Income (loss) per share**

Basic and fully diluted	\$ 0.01	\$ (0.01)
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**Weighted average number of shares**

Basic and diluted	16,856,632	16,856,632
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The accompany notes form an integral part of these financial statements

**Aylen Capital Inc.**  
**Interim Statements of Changes in Equity – Unaudited**  
**For the Three Months ended March 31, 2014 and 2013**  
(In Canadian Dollars)

	Common shares	Capital stock	Contributed surplus	Deficit	Total shareholders' equity
Balance, 31-Dec-2013	16,856,632	\$ 1,350,570	\$ 286,514	\$ (497,095)	\$ 1,139,989
Net income for the period	-	-	-	54,571	54,571
Balance, 31-March-2014	16,856,632	\$ 1,350,570	\$ 286,514	\$ (442,524)	\$ 1,194,560

	Common shares	Capital stock	Contributed surplus	Deficit	Total shareholders' equity
Balance, 31-Dec-2012	16,856,632	\$ 1,350,570	\$ 286,514	\$ (294,025)	\$ 1,343,059
Net loss for the period	-	-	-	(14,779)	(14,779)
Balance, 31-March-2013	16,856,632	\$ 1,350,570	\$ 286,514	\$ (308,804)	\$ 1,328,280

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**Aylen Capital Inc.**  
**Interim Statements of Cash Flows – Unaudited**  
**For the Three Months ended March 31, 2014 and 2013**  
(In Canadian Dollars)

	<b>2014</b>	<b>2013</b>
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Net income (loss) for the year	\$ 54,571	\$ (14,779)
Items not affecting cash:		
Unrealized gain on value of marketable securities	(5,552)	(19,850)
Realized gain on sale of marketable securities	(1,043)	(1,232)
Amortization	361	993
	<b>47,950</b>	<b>(155,237)</b>
Net changes in non-cash working capital		
Accounts receivable	14,133	5,954
Prepaid and sundry assets	1,267	1,008
Accounts payable and accrued liabilities	(65,699)	(21,653)
Deferred revenue	(91,974)	(35,600)
HST recoverable	(5,725)	(11,646)
	<b>(100,048)</b>	<b>(96,805)</b>
<b>Investing</b>		
Proceeds from sale of marketable securities, net of purchases	22,819	24,509
Purchase of Investment	(12,000)	-
	<b>10,819</b>	<b>24,509</b>
<b>Net change in cash and cash equivalents</b>	<b>(89,229)</b>	<b>(72,296)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>100,172</b>	<b>109,924</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 10,943</b>	<b>\$ 37,628</b>

The accompany notes form an integral part of these financial statements

These interim financial statements should be read in conjunction with the 2013 annual financial statements of Aylen Capital Inc.

## 1. NATURE OF BUSINESS

*Aylen Capital Inc. ("Aylen" or the "Company") was incorporated on October 28, 2010 as a wholly-owned subsidiary of Centiva Capital Inc. ("Centiva"). The Company's registered head office is located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario, M5J 2Z4, Canada.*

Aylen carries on a web-based survey and data-collection business, Grapevine Solutions, as an unincorporated division of Aylen, and it owns an equity interest in a privately held technology-based company, Leonardo Worldwide Corporation and a portfolio of marketable securities.

## 2. BASIS OF PRESENTATION

### Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). These financial statements were authorized for issuance by the Board of Directors of the Company on May 23, 2014.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in Note 3 in the Company's financial statements for the year ended December 31, 2013 have been applied consistently to all periods presented in these financial statements. The policies applied in these financial statements are based upon IFRS issued and outstanding as of December 31, 2013.

## 4. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents consist of the following:

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Cash in banks	\$ 829	\$ 61,552
Cash held with broker	10,114	38,620
	<b>\$ 10,943</b>	<b>\$ 100,172</b>

## 5. MARKETABLE SECURITIES

The Company has the following marketable securities:

	March 31, 2014		December 31, 2013	
	Cost	Fair value	Cost	Fair value
Investment in equities	\$ 203,745	\$ 210,381	\$ 225,135	\$ 226,219

Investment in equities are publicly-traded investments on a recognized securities exchange and for which no sales restrictions apply. The fair value of these securities is based on quoted closing prices at the year end date or the closing price on the last day the security traded if there were no trades at the year end date. If the closing price is outside of the bid-ask spread, management determines appropriate price for the security within the bid-ask spread. The fair value of mutual funds is determined using the net asset value per unit of each fund. The decline in the value of marketable securities was recognized in the statement comprehensive of loss.

## 6. ACCOUNTS RECEIVABLE

Details of the Company's trade and other receivables are as follows:

	March 31, 2014	December 31, 2013
Canadian and U.S. customers	\$ 17,637	\$ 31,769

Accounts receivable are amounts due from subscriptions that remain uncollected at year end. These amounts are classified as current because collection is expected in one year or less. Accounts receivable are recognized initially at the amount expected to be received less any discount to reduce the recoverable amount to fair value. Subsequently, accounts receivable are measured at amortized cost using the effective interest method less a provision for impairment.

## 7. PREPAID EXPENSE AND SUNDRY ASSETS

The following table shows the details of prepaid expense and sundry assets:

	March 31, 2014	December 31, 2013
Hosting services	\$ 8,500	\$ 9,768
Lawyer's trust	450	450
	\$ 8,950	\$ 10,218

## 8. INVESTMENTS

The Company has the following venture investments:



	March 31, 2014		December 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Privately held investments:				
Leonardo Worldwide Corporation				
Common shares	15,075,359	\$ 1,168,000	3,075,359	\$ 1,156,000
Class A preferred shares	2,436,685	687,890	2,436,685	687,890
		<b>\$ 1,855,890</b>		<b>\$ 1,843,890</b>

As at March 31, 2014, the Company owned an equity interest of 12.6% in Leonardo Worldwide Corporation ("Leonardo") (formerly known as VFM Leonardo Inc.) representing approximately 11.6% on a fully-diluted basis, should all options and warrants be exercised.

The Company exercised 12,000,000 warrants on March 1, 2014 at an exercise price of \$0.001 per share.

## 9. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	Net book value	
			March 31, 2014	December 31, 2013
Office Equipment	\$ 4,334	\$ 3,073	\$ 1,261	\$ 1,622
Equipment	7,581	7,581	-	-
	<b>\$ 11,915</b>	<b>\$ 9,091</b>	<b>\$ 1,261</b>	<b>\$ 1,622</b>

## 10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's contractual maturities were broken down as follows:

	March 31, 2014	December 31, 2013
Trade payable	\$ 16,294	\$ 43,643
Accrued expenses	40,471	85,402
Credit card	10,590	4,008
	<b>\$ 67,355</b>	<b>\$ 133,053</b>

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations.

## 11. NOTE PAYABLE

The Company issued a demand promissory note with a face value of \$842,832 to Centiva on October 31, 2011 pursuant to the plan of arrangement. The note is secured by a Security Agreement over the Grapevine operating assets. The note is non-interest bearing and is only repayable subject to the assets of the Company being sold (namely the marketable securities, available for sale investments (Leonardo Worldwide Corporation) and operating assets of Grapevine). The amount repayable is limited to the lesser of the face value of the note or the proceeds on sale.

The note has been accounted for initially as contingent consideration due to the uncertainty of the liquidity event occurring. Using IFRS 3 (Business Combinations) as a precedent, the contingent consideration has been fair valued using a probability adjusted discounted cash flow analysis based approach using likelihoods of liquidity events occurring for the key assets in question. These probabilities are adjusted at each reporting period and any changes in fair value are recorded in income. During 2012, such fair value changes were not considered material. In 2013, a fair value adjustment of \$23,839 was recognized.

After the date of transfer, certain marketable securities were sold for proceeds of \$546,789, and this amount is eligible for repayment on demand. The holder has waived the right to demand repayment until January 1, 2015. Accordingly, the amount has not been presented as a current liability.

## 12. SHARE CAPITAL

### (a) Authorized

An unlimited number of common shares, an unlimited number of Class A common shares and unlimited number of preferred shares issuable in series.

### (b) Stock options

The Company has an incentive stock option plan for the officers and directors enabling them to purchase common shares. Each option granted under the plan is for a maximum term of 10 years. The exercise price is determined by the Company's board of directors at the time the option is granted, subject to regulatory approval, and may not be less than the most recent closing price of the common shares at the date of grant. Vesting provisions are also determined at the time of grant by the Company's board of directors.

No new stock options were granted during the first quarter of 2014.

The Company used a zero forfeiture rate in valuing the stock options as all stock options were vested immediately on the date of the grant.

The following table shows the stock options held by officers and directors as at March 31, 2014:

Number of options outstanding	Exercise Price	Expiry date	Number of options exercisable
50,000	\$0.10	November 25, 2014	50,000
50,000	\$0.10	November 19, 2015	50,000
50,000	\$0.05	December 5, 2016	50,000
50,000	\$0.05	November 26, 2017	50,000
150,000	\$0.05	November 28, 2018	150,000
835,663	\$0.05	December 5, 2021	835,663
1,185,663	\$0.05		1,185,663

The following summarizes stock options outstanding for Aylen as at March 31, 2014:

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Weighted average exercise price	\$0.05
Options outstanding as at March 31, 2014	1,185,663
Weighted average remaining contractual life	6.3 years
Options exercisable as at March 31, 2014	1,185,663