ANTISOCIAL HOLDINGS LTD.

(Formerly MOUNT ELGIN COFFEE LTD.)

FINANCIAL STATEMENTS

For the period from the date of incorporation, April 04, 2014, to June 30, 2014

(Stated in Canadian Dollars)

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charlton

charlton & company
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Directors of:
Antisocial Holdings Ltd.

We have audited the accompanying financial statements of Antisocial Holdings Ltd.., which comprise the statements of financial position as at June 30, 2014, the statements of loss and comprehensive loss, the statement of changes in shareholders' deficiency and the statement of cash flows for the period from the date of incorporation, April 4, 2014, to June 30, 2014, and a summary of significant accounting policies and other explanatory information for the period then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Antisocial Holdings Ltd. as at June 30, 2014, and the results of its operations and cash flows for the period from the date of incorporation, April 4, 2014, to June 30, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Antisocial Holdings Ltd. is dependent on continued financing in order to fund its operations. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Charlton & Company"

CHARTERED ACCOUNTANTS

Vancouver, BC
July 23, 2014

ANTISOCIAL HOLDINGS LTD.
(Formerly Mount Elgin Coffee Ltd.)
STATEMENT OF FINANCIAL POSITION
(Stated in Canadian Dollars)

	June 30, 2014
ASSETS	
Current	
Cash	$ 241,612
Deferred Development Costs (Note 4)	50,000
	$ 291,612
LIABILITIES	
Current	
Accrued liabilities	$ 38,000
SHAREHOLDERS' EQUITY	
Share capital (Note 5)	150,000
Subscriptions received	160,681
Deficit	(57,069)
	253,612
	$ 291,612

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 9)

Approved and authorized by the Board on July 23, 2014:

On behalf of the Board:

____
Karl Antonius, Director

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ANTISOCIAL HOLDINGS LTD.
(Formerly Mount Elgin Coffee Ltd.)
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Stated in Canadian Dollars)

	For the period from incorporation on April 04, 2014, to June 30, 2014
Administrative expenses	
Accounting and audit fees	$ 3,000
Consulting	7,500
Legal fees	46,569
Net loss and comprehensive loss for the period	$ (57,069)
Basic and diluted loss per share	$ (0.01)
Weighted average number of common shares outstanding	8,356,322

ANTISOCIAL HOLDINGS LTD.
(Formerly Mount Elgin Coffee Ltd.)
STATEMENT OF CASH FLOWS
(Stated in Canadian Dollars)

	For the period from incorporation on April 04, 2014, to June 30, 2014
Operating Activities	
Net loss for the period	$ (57,069)
Changes in non-cash working capital items related to operations:	
Accrued liabilities	38,000
Cash used in operating activities	(19,069)
Financing Activities	
Advances on private placement	160,681
Shares issued for cash	150,000
Cash provided by financing activities	310,681
Investing Activity	
Intangible asset	(50,000)
Cash used in investing activity	(50,000)
Increase in cash during the period	241,612
Cash, beginning of the period	-
Cash, end of the period	$ 241,612
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the period:	
Interest	$ -
Income taxes	$ -

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ANTISOCIAL HOLDINGS LTD.
(Formerly Mount Elgin Coffee Ltd.)
STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY
for the period from Incorporation on April 4, 2014, to June 30, 2014
(Stated in Canadian Dollars)

	Number of Shares	Share Capital	Subscriptions Received	Deficit	Total
Balance, at Incorporation April 4, 2014	-	$ -	$ -	$ -	$ -
Shares issued for cash at $0.005 per share	2,000,000	10,000	-	-	10,000
Shares issued for cash at $0.02 per share	7,000,000	140,000	-	-	140,000
Subscriptions received	-	-	160,681	-	160,681
Net loss for the period	-	-	-	(57,069)	(57,069)
Balance, June 30, 2014	7,000,000	$ 150,000	$ 160,681	$ (57,069)	$ 253,612

1. Nature and Continuance of Operations

Mount Elgin Coffee Ltd. (the "Company") was incorporated on April 4, 2014 under the Business Corporation Act of British Columbia. The head office of the Company is 1820 – 925 West Georgia Street, Vancouver, BC V6C 3L2. The Company is in the development of Serum, a social media application for smartphones. On July 7, 2014, the Company changed its name to Antisocial Holdings Ltd.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2014, the Company has not generated any revenues from operations and has an accumulated deficit of $57,069. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

2. Basis of Preparation

Statement of Compliance

These financial statements for the period ended June 30, 2014, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements are authorized for issue by the Board of Directors on July 23, 2014.

Basis of Measurement

The financial statements have been prepared on an accrual basis and are based on historical costs.

The financial statements are presented in Canadian dollars which is also the Company's functional currency.

2. Basis of Preparation–(cont'd)

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements are the classification of financial instruments and the going concern assumption.

3. Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently in all material respects.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. No potentially dilutive securities were issued during the period. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3. Significant Accounting Policies – (cont'd)

Financial Instruments – (cont'd)

At initial recognition, the Company classifies its financial assets in the following three categories depending on the purpose for which the instruments were acquired: Financial assets at fair value through profit or loss ("FVTPL"), available for sale ("AFS") financial assets or loans and receivable.

Financial assets are recognized initially at fair value, as adjusted for direct and incremental transaction costs with the exception of FVTPL financial assets where transaction costs are recognized immediately in profit or loss. Subsequent to initial recognition, financial assets are measured dependent upon their initial classification, as follows:

- FVTPL financial assets are measured at fair value with changes in fair value recognized in profit or loss;
- AFS financial assets are measured at fair value with changes in fair value recognized in other comprehensive income until the financial assets are either sold or become impaired, except for the foreign exchange component of fair value of monetary AFS financial assets which is recognized in profit or loss. Interest income is recognized on available-for-sale debt securities using the effective interest method, calculated over the asset's expected life. When available-for-sale financial assets are sold, cumulative gains or losses previously recognized in other comprehensive income are recognized in the profit or loss;
- Loans and receivables are measured at amortized cost using the effective interest method.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The Company has classified cash as loans and receivables.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL or other financial liabilities, as appropriate.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value, as adjusted for transaction costs.

The Company's financial liabilities include accrued liabilities and advances on private placement. Subsequent to initial recognition, accounts payable and accrued financial liabilities are measured at amortized cost using the effective interest method. All financial liabilities are classified as other financial liabilities.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of the available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company does not have any derivative financial assets or liabilities.

3. Significant Accounting Policies – (cont'd)

Financial Instruments – (cont'd)

See Note 6 for relevant disclosures.

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Research and development expenditures

Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet certain criteria for deferral and amortization. The Company assesses whether it has met the relevant criteria for deferral and amortization at each reporting date.

3. Significant Accounting Policies – (cont'd)

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

- IFRS 9 – *Financial Instruments* (tentatively effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

4. Deferred Development Costs

On April 15, 2014, the Company commenced development of the Serum smartphone application and has incurred $50,000 as at June 30, 2014. Serum is a social media application focusing on providing an anonymous channel for users to ask and answer questions. Serum will be accessible by both Smartphones and Tablets. As of June 30, 2014, the application is still in its development stage, and development costs will be assessed for impairment in future periods.

5. Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

On April 4, 2014, the Company issued 2,000,000 common shares at a price of $0.005 per share for total proceeds of $10,000.

On June 12, 2014, the Company issued 7,000,000 common shares at a price of $0.02 per share for total proceeds of $140,000.

6. Financial Instruments

As at June 30, 2014, the Company's financial instruments consist of cash, accounts payable and accrued liabilities and loans payable.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Fair value

The carrying value of cash, accounts payable and accrued liabilities and loans payable approximate their fair value due to the relatively short-term nature of these instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and amounts receivable. The risk arises from the non-performance of counterparties of contractual financial obligations. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans.

6. Financial Instruments – (cont'd)

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management does not believe the Company is exposed to significant interest rate risk as liabilities and cash are non interest bearing as at June 30, 2014.

7. Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue the development of mobile applications. As the Company is in the preliminary stages of operations, its principal source of funds is from the issuance of common shares.

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, acquire or dispose of assets or adjust the amount of cash.

The Company is not subject to externally imposed capital requirements.

8. Income Taxes

(a) Current Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

	June 30, 2014
Net loss for the period	$ (57,069)
Expected tax recovery at a combined federal and provincial rate of 26%	$ (14,840)
Tax benefit not recognized	14,840
Deferred income tax recovery	$ –

(Stated in Canadian Dollars) – Page 8

8. Income Taxes – (cont'd)

(b) Deferred Taxes

Significant components of the Company's unrecorded deferred income tax assets after applying enacted corporate income tax rates are as follows:

	June 30, 2014
Non-capital loss carry forwards	$ 14,840
Unrecognized deferred tax assets	(14,840)
Net deferred income tax assets	$ –

Management has determined that the realization of the potential income tax benefits related to the non-capital losses is uncertain at this time, and cannot be viewed as more likely than not. Accordingly, the Company has not recorded the potential deferred income tax asset.

At June 30, 2014, the Company has Canadian non-capital losses of $57,069 which, if not utilized to reduce income in future periods, expire in 2034.

9. Subsequent Events

On July 9, 2014, the Company issued 450,000 common shares for total proceeds of $9,000 and refunded $150,000 of the share subscriptions received as at June 30, 2014.