

AVRA INC.  
Form 10-Q  
September 14, 2015

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

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended July 31, 2015

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 333-182130

**AVRA INC.**

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction of  
incorporation or organization)

**36-4789798**  
(I.R.S. Employer  
Identification No.)

**3790 El Camino Real, Suite 291, Palo Alto, California**  
 (Address of principal executive offices)

**94306**  
 (Zip Code)

**844-287-2462**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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.

Yesx Noo

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).

Yesx Noo

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

|                         |  |                   |                                  |
|-------------------------|--|-------------------|----------------------------------|
| Large accelerated filer | <input type="radio"/>                                      | Accelerated filer | <input type="radio"/>            |
|                         | <input type="radio"/> (Do not check if a smaller reporting | Smaller reporting |                                  |
| Non-accelerated filer   | company)   | company           | <input checked="" type="radio"/> |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o Nox

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

| Class                             | Shares outstanding as of September 14, 2015 |
|-----------------------------------|---|
| Common stock, \$0.00001 par value | 63,397,067                                  |



**PART 1 - FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**Avra Inc.**

**July 31, 2015**

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**Avra Inc.****Balance Sheets****(Unaudited)**

|  | July 31,<br>2015 | January 31,<br>2015 |
|--|------------------|---------------------|
| <b>ASSETS</b>  |                  |                     |
| Current Assets   |                  |                     |
| Cash and cash equivalents  | \$ 518           | \$ 19,579           |
| Prepaid expenses   | 600              | 600                 |
| Total Current Assets   | 1,118            | 20,179              |
| Property and equipment, net of depreciation of \$nil and \$6   | –                | 2,128               |
| Total Assets   | \$ 1,118         | \$ 22,307           |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>   |                  |                     |
| Current Liabilities  |                  |                     |
| Accounts payable and accrued liabilities   | \$ 76,533        | \$ 30,489           |
| Short-term debts   | 163,105          | 63,105              |
| Stock payable  | 64,882           | 22,167              |
| Due to related party   | 16,785           | 6,929               |
| Total Current Liabilities  | 321,305          | 122,690             |
| Contingencies and Commitments  |                  |                     |
| Stockholders' Deficit  |                  |                     |
| Preferred stock, 100,000,000 shares authorized, \$0.00001 par value;<br>no shares issued and outstanding                                   | –                | –                   |
| Common stock, 300,000,000 shares authorized, \$0.00001 par value;<br>63,397,067 and 63,397,067 shares issued and outstanding, respectively | 634              | 634                 |
| Additional paid-in capital   | 194,062          | 194,062             |

|   |           |           |
|---|-----------|-----------|
| Accumulated deficit                         | (514,883) | (295,079) |
| Total Stockholders' Deficit                 | (320,187) | (100,383) |
| Total Liabilities and Stockholders' Deficit | \$ 1,118  | \$ 22,307 |

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

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**Avra Inc.****Statements of Operations****(Unaudited)**

|   | For the<br>Three Months<br>Ended<br>July 31, 2015 | For the<br>Three Months<br>Ended<br>July 31, 2014 | For the<br>Six Months<br>Ended<br>July 31, 2015 | For the<br>Six Months<br>Ended<br>July 31, 2014 |
|---|---|---|---|---|
| Operating expenses  |   |   |   |   |
| General and administrative  | \$ 12,457   | \$ 4,766  | \$ 37,945                                       | \$ 7,249  |
| Professional fees   | 85,940  | 10,463  | 175,993   | 20,655  |
| Impairment loss on fixed assets                                   | –   | –   | 1,061   | –   |
| Total operating expenses  | 98,397  | 15,229  | 214,999   | 27,904  |
| Other income (expense)  |   |   |   |   |
| Foreign exchange gain (loss)                                      | 165   | (14)  | 56  | (38)  |
| Interest expense  | (2,925)   | (1,046)   | (4,861)   | (1,843)   |
| Total other expense   | (2,760)   | (1,060)   | (4,805)   | (1,881)   |
| Net Loss  | \$ (101,157)                                      | \$ (16,289)                                       | \$ (219,804)                                    | \$ (29,785)                                     |
| Net Loss Per Common Share – Basic and Diluted                     | \$ (0.00)   | \$ (0.00)   | \$ (0.00)                                       | \$ (0.00)                                       |
| Weighted Average Common Shares Outstanding –<br>Basic and Diluted | 63,397,067  | 62,397,067  | 63,397,067                                      | 62,397,067                                      |



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

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**Avra Inc.****Statements of Cash Flows****(Unaudited)**

|   | For the<br>Six Months<br>Ended<br>July 31, 2015 | For the<br>Six Months<br>Ended<br>July 31, 2014 |
|---|---|---|
| Cash Flows from Operating Activities  |   |   |
| Net loss  | \$ (219,804)                                    | \$ (29,785)                                     |
| Adjustments to reconcile net loss to net cash used in operating activities: |   |   |
| Stock based compensation  | 42,715  | —   |
| Impairment loss on fixed assets   | 1,061   | —   |
| Changes in operating assets and liabilities:                                |   |   |
| Accounts payable and accrued liabilities                                    | 46,044  | 11,581  |
| Net Cash Used in Operating Activities                                       | (129,984)                                       | (18,204)  |
| Cash Flows from Financing Activities  |   |   |
| Proceeds from short-term debts  | 100,000   | 16,500  |
| Proceeds from related party advances  | 10,923  | 633   |
| Net Cash Provided by Financing Activities                                   | 110,923   | 17,133  |
| Change in Cash  | (19,061)  | (1,071)   |
| Cash - Beginning of Period  | 19,579  | 1,071   |
| Cash - End of Period  | \$ 518  | \$ —  |
| Supplementary Information:  |   |   |
| Interest paid   | \$ —  | \$ —  |
| Income taxes paid   | \$ —  | \$ —  |

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

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**Avra, Inc.**

**Notes to the Financial Statements**

**(Unaudited)**

1. Nature of Business and Continuance of Operations

Avra Inc. (the “Company”) was incorporated in the State of Nevada on December 1, 2010. The Company, with offices in the United States, is focused on solutions in the cryptocurrency and digital currency markets, particularly in offering payment solutions to businesses worldwide. The Company also has a business in marketing and distributing of Smart TV boxes to home consumers throughout the United States. Smart TV boxes are hardware devices that allow consumers to combine all of the benefits of the Internet with the large size and high definition capabilities of TV screens. However currently this is not the Company’s focus. On January 4, 2015, the Company established a subsidiary AvraPay SRL under the laws of Dominican Republic, where Avra Inc. owns 99%, and Steve Shepherd owns 1% of the shares of AvraPay SRL.

The Company’s business model can be broken down into four distinct categories, as follows: AvraPay: To develop a complete, turn-key and painless way for merchants to accept Bitcoin as payment; AvraATM: To promote usage and acceptance of digital currencies through the Company’s proposed network of ATMs; AvraTourism: To provide cryptocurrency payment processing solutions for merchants such as hotels and casinos; AvraNews: To provide a news portal focusing on digital currency news.

These financial statements have been prepared on a going concern basis, which assumes the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As of July 31, 2015, the Company has working capital deficit of \$320,187 and has incurred losses totaling \$514,883 since inception, and has not yet generated any revenue from operations. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company’s management plans to raise funds in the next 12 months through a combination of debt financing and equity financing by way of private placements.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

These financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States and are expressed in US dollars. The Company’s fiscal year end is January 31.

b) Interim Financial Statements

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained elsewhere in this prospectus. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year end January 31, 2015 have been omitted.

c) Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to stock-based compensation and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

2. Summary of Significant Accounting Policies (continued)

d) Reclassification

Certain prior period amounts have been reclassified to conform to current period presentation.

e) Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

f) Property and Equipment

Property and equipment consists of computer equipment and is recorded at cost. Depreciation is recorded on a straight-line basis over their estimated useful lives of five years.

g) Financial Instruments

The Company's financial instruments consist principally of cash and cash equivalents, and accounts payable and accrued liabilities and short term debts. Pursuant to ASC 820, *Fair Value Measurements and Disclosures* and ASC 825, *Financial Instruments* the fair value of the Company's cash equivalents is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets.

h) Earnings (Loss) Per Common Share

Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. At July 31, 2015, the Company has no potentially dilutive securities outstanding.

i) Foreign Currency Translation

The Company's planned operations will be in the United States, which results in exposure to market risks from changes in foreign currency exchange rates. The financial risk is the risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company's functional currency for all operations worldwide is the U.S. dollar. Nonmonetary assets and liabilities are translated at historical rates and monetary assets and liabilities are translated at exchange rates in effect at the end of the year. Revenues and expenses are translated at average rates for the year. Gains and losses from translation of foreign currency financial statements into U.S. dollars are included in current results of operations.

j) Revenue Recognition

Sales are recorded when products are shipped to customers. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are

recorded. No provision for discounts or rebates to customers, estimated returns and allowances or other adjustments were recognized during the six months ended July 31, 2015. In instances where products are configured to customer requirements, revenue is recorded upon the successful completion of the Company's final test procedures and the customer's acceptance. The Company has not made any sales as at July 31, 2015.

k) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, *Income Taxes*. The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

l) Subsequent Events

The Company's management reviewed all material events from July 31, 2015 through the issuance date of these financial statements for disclosure consideration.

2. Summary of Significant Accounting Policies (continued)

m) Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

3. Property and Equipment

During the six months ended July 31, 2015, the Company deemed the remaining cost of equipment unrecoverable and recorded an impairment of the remaining asset costs.

4. Short-term Debts

On August 1, 2013, the Company entered into a loan agreement in which the note holder agreed to provide a loan to the Company in the principal amount of up to \$50,000. The loan is unsecured, bears interest at 8% per annum and payable on August 1, 2014. The loan agreement has been amended when the loan amount was increased to \$75,000 with an extension of the maturity date to August 1, 2015. As at July 31, 2015, the note holder has provided \$63,105 to the Company.

On February 3, 2015, the Company entered into a loan agreement in which the note holder agreed to provide a loan to the Company in the principal amount of \$25,000. Subsequently, the loan was amended to increase the principal balance to \$100,000. The loan bears interest at 7.5% per annum and is due on demand. As at July 31, 2015, the note holder has provided \$100,000 to the Company.

5. Related Party Transactions

As of July 31, 2015, the Company is indebted to Stephen Shepherd, CEO of the Company for \$16,785. This amount represents non-interest bearing advances payable of \$3,164 and unpaid consulting fees of \$13,621. During the six months ended July 31, 2015, the Company expensed \$30,000 of consulting fees to the CEO of the Company.

6. Stockholders' Equity

The Company's authorized capital consisted of 300,000,000 shares of common stock with a par value of \$0.00001 per share and 100,000,000 shares of preferred stock with a par value of \$0.00001 per share.

There were no share transactions during the six months ended July 31, 2015 or 2014.

7. Warrants

The following table summarizes information about warrants outstanding and exercisable at July 31, 2015:

|                      | Exercise |                  |
|----------------------|----------|------------------|
| Warrants Outstanding | Price    | Expiry Date      |
| 600,000              | \$ 0.50  | December 5, 2015 |



600,000

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8. Commitments and Contingencies

a) On November 1, 2014, the Company entered into a consulting agreement with a consultant who will provide consulting services in consideration for \$7,000 per month for a 1 year term, ending on December 1, 2015. The consulting fee is payable as follows:

i. \$3,500 per month settled in shares which will be converted at a 50% discount of the lowest 3 trading prices for the Company's common stock during the last 10 trading days of each month.

ii. \$3,500 per month payable in cash at the end of each month in which the consultant also has the option to convert into shares at a market price less a 50% discount of the lowest 3 trading prices for the Company's common stock during the last 10 trading days from the date of conversion.

As at July 31, 2015 the Company paid \$10,500 and issued 0 shares to the consultant, \$21,000 and \$64,882 has been accrued in accounts payable and stock payable, respectively.

b) On December 1, 2014, the Company entered into a consulting agreement with a consultant who will provide consulting services in consideration for cash payments of \$2,500 per month for a 6 month term ending May 31, 2015. During the six months ended July 31, 2015 the Company paid \$15,000 (2014 - \$nil) to the consultant.

c) On December 8, 2014, the Company entered into a consulting agreement with a consultant who will provide consulting services in consideration for cash payments of \$5,000 per month for a 6 month term ending May 1, 2015. During the six months ended July 31, 2015 the Company paid \$20,000 (2014 - \$nil) to the consultant.

9. Subsequent Events

On August 31, 2015, the Company entered into a definitive Joint Venture Agreement (the "Agreement") with Mango Pay SRL ("Mango Pay") to provide their customers with the ability to purchase digital currency, specifically bitcoin. Pursuant to the terms of the Agreement, Mango Pay will handle the day-to-day caretaking and operational requirements of the machines and will exclusively use the services of the Company for provision of bitcoin through their network of kiosks for a period of one (1) year. At the conclusion of each month, both the Company and Mango Pay will be entitled to 50% of the transaction revenue from the previous month.

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

*The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarter report. The discussions of results, causes and trends should not be construed to imply any conclusion that these results or trends will necessarily continue into the future.*

*Our audited financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.*

### **Overview**

We were incorporated on December 1, 2010 under the laws of the State of Nevada. Our principal executive offices are located at 115, Pelham Commons Boulevard, Greenville, South Carolina. 29615. Our telephone number is 866-287-2462. Our fiscal year end is January 31.

The Company is focused on solutions in the cryptocurrency and digital currency markets, particularly in offering payment solutions to businesses worldwide. The company also still maintains its business of marketing and distributing of Smart TV boxes to home consumers throughout the United States. Smart TV boxes are hardware devices that allow consumers to combine all of the benefits of the Internet with the large size and high definition capabilities of TV screens in the comfort of consumers' living rooms. The Company's new website has been launched and can be found at [www.avraglobal.com](http://www.avraglobal.com). The Company's business model can be broken down into four distinct categories, as follows:

**AvraPay** – Is the Company's cryptocurrency payment solution. It plans to offer the technology in order for merchants to accept digital payments in their businesses, with AvraPay being the payment processor. The business will be able to accept payments online or in person through the AvraPay technology and be paid in government declared legal tender or better known as FIAT or cryptocurrency depending on the businesses preference. Avra plans to charge a percentage of the transaction in the same way as a credit card provider.

**AvraATM** – Is another technology solution planned by the Company is called AvraATM, which it plans to develop a software to be integrated with kiosks which will allow the kiosk to have the ability to accept payments, effectively converting the existing kiosk into a purchase point (ATM) for bitcoin and other cryptocurrencies. The planned revenue model is one where a percentage fee will be charged for the purchase of currency which will vary depending on the expectations of the individual owners of each kiosk network.

**AvraTourism** – Is where the Company plans on offering a tailored version of AvraPay to international holiday destinations, focused on tourism, such as hotels, casinos, airlines, restaurants, bars, and spas. In addition to offering a specific solution which is to “buy-back” unused local currency from departing tourists, and in exchange we intend to provide tourists with digital currency to for them to use upon their return home through dedicated ATMs installed in key points such as airports.

**AvraSecure** – delivers a full range of server security, hosting and management services that provide fully-managed and co-managed security solutions to meet the security and infrastructure needs of organizations. The company security specialists work with clients to create a secure compliant environment for critical infrastructure. Also working with customers to pass compliance audits by coordinating directly with auditors and providing comprehensive documentation.

**AvraNews** – In addition to Avra’s website, the Company is developing its own news portal, which will provide up to the minute news and analysis on the cryptocurrency industry. The business will be supported by funneling business to Avra’s own business solutions, in addition to paid advertising and affiliate schemes. There will also be a section to connect investors and start-ups companies, which at some point in the future will be monetized through a subscription system.

The Company is now in final testing on it’s AvraPay and AvraATM platforms prior to full public launch. AvraATM has it’s first client with 80 payment terminals ready to use the platform once final testing between the parties is completed. The Company has also pre-registered over 50 merchants for it’s AvraPay merchant solution which will begin to accept Digital Currency payments once the platform has been successfully beta tested.

The Company continues to be involved in discussions with other cryptocurrency providers in order to further establish how the service proposition can be developed and continues to be involved in market research and discussions with potential clients to ensure that the services that are to be provided are in demand and appropriately presented.

On December 8, 2014, the Company entered into a software and information technology agreement with T2M International Inc., a consulting company, who will provide information technology support, software development and integration, hosting services and solutions, marketing strategies, and digital currencies solution services in consideration for cash payments of \$5,000 per month for a 6-month term ending May 1, 2015.

On December 22, 2014, the Company engaged Sightspan as compliance consultants to ensure that Avra Inc. will be operating compliantly in the markets in which it operates. Sightspan have provided OFAC/AML policies for both the US and Dominican Republic markets, being the first key markets that Avra will be working. In the US this will ensure that Avra is compliant with FinCen regulations as a money transmitter and the Company's responsibilities regarding BSA reporting for money laundering. This also includes in-house training for all Company staff as regards the responsibilities of all parties and a comprehensive program of education to ensure that the policy is kept current.

On August 31, 2015, the Company entered into a definitive Joint Venture Agreement (the "Agreement") with Mango Pay SRL ("Mango Pay") to provide their customers with the ability to purchase digital currency, specifically bitcoin. Pursuant to the terms of the Agreement, Mango Pay will handle the day-to-day caretaking and operational requirements of the machines and will exclusively use the services of the Company for provision of bitcoin through their network of kiosks for a period of one (1) year. At the conclusion of each month, both the Company and Mango Pay will be entitled to 50% of the transaction revenue from the previous month.

The Company has spoken with several large hotel chains, casinos and other tourism related businesses in the Caribbean's largest tourist destination in Punta Cana and has established that many of these establishments could be interested in such a product subject to the terms that would be offered. The Company has also identified several other large tourist destinations throughout the Americas where the expectation is to expand the service offering over the next 12 months.

## Results of Operations

The following summary of our results of operations should be read in conjunction with our financial statements for the quarter ended July 31, 2015, which are included herein.

Our operating results for the three and six months ended July 31, 2015 and 2014 are summarized as follows:

|                                 | Three Months Ended |          | Six Months Ended |            |
|---------------------------------|--------------------|----------|------------------|------------|
|                                 | July 31,           |          | July 31          |            |
|                                 | 2015               | 2014     | 2015             | 2014       |
| Revenue                         | \$ Nil             | Nil      | \$ Nil           | \$ Nil     |
| General and administrative      | \$ 12,457          | 4,766    | \$ 37,945        | \$ 7,249   |
| Professional fees               | \$ 85,940          | 10,463   | \$ 175,993       | \$ 20,655  |
| Impairment loss on fixed assets | \$ -               | -        | \$ 1,061         | \$ -       |
| Foreign exchange loss (gain)    | \$(165)            | 14       | \$(56)           | \$ 38      |
| Interest expense                | \$ 2,760           | 1,046    | \$ 4,861         | \$ 1,843   |
| Net Loss                        | \$(101,157)        | (16,289) | \$(219,804)      | \$(29,785) |

We have not generated any revenues since our inception and however we expect to begin revenues in the next 3 months.

Our net loss for the three-month period ended July 31, 2015 increased primarily due to increases in professional fees and interest expenses. Our net loss for the six-month period ended July 31, 2015 increased primarily due to an increase in marketing, advertising professional fees and interest expenses.





**Liquidity and Capital Resources**

## Working Capital

|                         |    | <b>At</b>            |    | <b>At</b>               |
|-------------------------|----|----------------------|----|-------------------------|
|                         |    | <b>July 31, 2015</b> |    | <b>January 31, 2015</b> |
| Current Assets          | \$ | 1,118                | \$ | 20,179                  |
| Current Liabilities     | \$ | 321,305              | \$ | 122,690                 |
| Working Capital Deficit | \$ | 320,187              | \$ | 102,511                 |

Our total current assets as of July 31, 2015 were \$1,118 as compared to total current assets of \$20,179 as of January 31, 2015. Our total current liabilities as of July 31, 2015 were \$321,305 as compared to total current liabilities of \$122,690 as of January 31, 2015. The increase in current liabilities was attributed to increases in accounts payable, accrued liabilities, short-term loans, and payable due to related party.

## Cash Flows

|   |    | <b>Six Months Ended</b> |             |
|---|----|-------------------------|-------------|
|   |    | <b>July 31,</b>         |             |
|   |    | <b>2015</b>             | <b>2014</b> |
| Net Cash Used in Operating Activities     | \$ | (129,984)               | \$ (18,204) |
| Net Cash Provided by Financing Activities | \$ | 110,923                 | \$ 17,133   |
| Decrease in Cash During the Period        | \$ | (19,061)                | \$ (1,071)  |

*Operating Activities*

Cash used in operating activities increased \$111,780 from \$18,204 to \$129,984 due to increase in professional and consulting fees incurred during the current period.

*Financing Activities*

The \$93,790 increase in cash provided by financing activities during the six-months ended July 31, 2015 compared to the six-month period ended July 31, 2014 was primarily due to cash received from note payables issued during the period.

**Plan of Operation**

We are only beginning our operations. We anticipate that we will meet our ongoing cash requirements through equity or debt financing. We estimate that our expenses over the next 12 months (beginning October 2015) will be approximately \$400,000 as described in the table below. These estimates may change significantly depending on the nature of our future business activities and our ability to raise capital from shareholders or other sources.

| Description                             | Estimated Completion Date | Estimated Expenses |                |
|---|---------------------------|--------------------|----------------|
|   |                           |                    | (\$)           |
| Legal and accounting fees               | 12 months                 |                    | 60,000         |
| Purchase of inventory                   | 12 months                 |                    | 50,000         |
| Website and shopping cart               | 12 months                 |                    | 6,000          |
| Management and operating costs          | 12 months                 |                    | 86,000         |
| Salaries and consulting fees            | 12 months                 |                    | 96,000         |
| Investor relations and capital raising  | 12 months                 |                    | 30,000         |
| Fixed asset purchases                   | 12 months                 |                    | 8,000          |
| Social media and online sales marketing | 12 months                 |                    | 24,000         |
| General and administrative expenses     | 12 months                 |                    | 40,000         |
| <b>Total</b>                            |                           |                    | <b>400,000</b> |

We intend to meet our cash requirements for the next 12 months through a combination of debt financing and equity financing by way of private placements. We decided to become a reporting company to be better equipped to raise capital by providing the transparency to the public of our operations and development. We currently do not have any arrangements in place to complete any private placement financings and there is no assurance that we will be successful in completing any such financings on terms that will be acceptable to us.

If we are not able to raise the full \$400,000 to implement our business plan as anticipated, we will scale our business development in line with available capital. Our primary priority will be to retain our reporting status with the SEC which means that we will first ensure that we have sufficient capital to cover our legal and accounting expenses. Once these costs are accounted for, in accordance with how much financing we are able to secure, we will focus on product acquisition, testing and servicing costs as well as marketing and advertising of our products. We will likely not expend funds on the remainder of our planned activities unless we have the required capital.

If we are able to raise the required funds to fully implement our business plan, we plan to implement the below business actions in the order provided below. If we are not able to raise all required funds, we will prioritize our corporate activities as chronologically laid out below because the activity which needs to be undertaken in the initial months is prerequisite for future operations. We anticipate that the implementation of our business will occur as follows:

October 2015 to March 2016:

- . Full release of AvraPay platform in first markets
- . Development of other markets for AvraPay solution growth

- . AvraSecure marketing and promotion rollout worldwide
- . Purchase and placement of 5 new ATMs
- . Completion of 2 new AvraATM integrations for kiosk providers.
- . Launch AvraTravel solution in Caribbean and develop Mexican solution
- . Look at other Complementary technologies to add to the sales and marketing strategy.

April 2016 to September 2016:

- . Addition of at more AvraATM integrations for bitcoin purchase at kiosks
- . Increasing marketing and development of AvraPay Solution in US market through referral schemes
- . Further development of Avra branded ATM solutions
- . AvraTravel solution released to further tourism markets in Central America and Caribbean
- . AvraSecure development and international marketing
- . Attend trade shows.
- . Hire further personnel to market our products.

### **Contractual Obligations**

As a “smaller reporting company”, we are not required to provide tabular disclosure obligations.

### **Inflation**

The effect of inflation on our revenues and operating results has not been significant.

### **Going Concern**

These accompanying consolidated financial statements have been prepared on a going concern basis, which implies our company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As of July 31, 2015, the Company has working capital deficit of \$320,187 and has incurred losses totaling \$514,883 since inception, and has not yet generated any revenue from operations. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

### **Off-Balance Sheet Arrangements**

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

### **Critical Accounting Policies**

The discussion and analysis of our financial condition and results of operations is based upon the accompanying consolidated financial statements, which have been prepared in accordance with the accounting principles generally

accepted in the United States of America and are expressed in United States Dollars. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financial statements.

#### *Foreign Currency Translation*

Our company's planned operations will be in the United States, which results in exposure to market risks from changes in foreign currency exchange rates. The financial risk is the risk to our company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, our company does not use derivative instruments to reduce its exposure to foreign currency risk. Our company's functional currency for all operations worldwide is the U.S. dollar. Nonmonetary assets and liabilities are translated at historical rates and monetary assets and liabilities are translated at exchange rates in effect at the end of the year. Revenues and expenses are translated at average rates for the year. Gains and losses from translation of foreign currency financial statements into US dollars are included in current results of operations.

#### *Revenue Recognition*

Sales are recorded when products are shipped to customers. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. No provision for discounts or rebates to customers, estimated returns and allowances or other adjustments were recognized during the year ended January 31, 2015. In instances where products are configured to customer requirements, revenue is recorded upon the successful completion of our final test procedures and the customer's acceptance. Our company has not made any sales as at January 31, 2015.

#### **Recent Accounting Pronouncements**

Our company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

**Item 3. Quantitative and Qualitative Disclosure About Market Risk.**

Not applicable because we are a small reporting company.

**Item 4. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our president (our principal executive officer, principal financial officer and principal accounting officer), as appropriate to allow timely decisions regarding required disclosure.

We carried out an evaluation, under the supervision and with the participation of our management, including our president (our principal executive officer, principal financial officer and principal accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures as of quarter covered by this report. Based on the evaluation of these disclosure controls and procedures the president (our principal executive officer, principal financial officer and principal accounting officer) concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this quarterly report due to the lack of adequate segregation of duties and the absence of an audit committee.

**Changes in Internal Controls**

During the quarter covered by this report there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.









**PART II - OTHER INFORMATION**

**Item 1. Legal Proceedings.**

None.

**Item 1A. Risk Factors.**

Not applicable because we are a small reporting company.

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

None.

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

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

**Exhibit**

| <b>No.</b> | <b>Description</b>   |
|------------|--|
| 31.1       | Certification Required by Rule 13a-14(a) (17 CFR 240.13a-14(a))<br>Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the<br>Sarbanes-Oxley Act of 2002 * |
| 32.1       | Sarbanes-Oxley Act of 2002 *   |
| 101.INS    | XBRL Instance Document †   |
| 101.SCH    | XBRL Taxonomy Extension Schema Document †  |
| 101.CAL    | XBRL Taxonomy Extension Calculation Linkbase Document †  |
| 101.DEF    | XBRL Taxonomy Extension Definition Linkbase Document †   |
| 101.LAB    | XBRL Taxonomy Extension Label Linkbase Document †  |
| 101.PRE    | XBRL Taxonomy Extension Presentation Linkbase Document †   |

\* In accordance with SEC Release 33-8238, Exhibits 32.1 is furnished and not filed.

†Furnished herewith. XBRL (eXtensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.



**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 thereunto duly authorized.

**AVRA, INC.**

Date: September 14, 2015

By:

/s/ Stephen Shepherd  
Stephen Shepherd

Chief Executive Officer and Chief  
Financial Officer

(Principal Executive Officer and Principal  
Financial Officer)

