

MICROCHANNEL TECHNOLOGIES CORP

Form 10-K

November 29, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 10-K**

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**

**OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended August 31, 2018**

☐ **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: 333-146404**

**MCTC HOLDINGS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**83-1754057**

(I.R.S. Employer  
Identification No.)

**1919 NW 19<sup>th</sup> Street, Suite 302**

**Fort Lauderdale, FL**

(Address of principal executive offices)

**33311**

(Zip Code)

**(954) 551-7701**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act . Yes ☐

No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

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

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒ x

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company ☒ x

Emerging growth company

☒ x

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Yes ☒ x No ☐ "

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing sale price of the registrant's common stock on November 29, 2018 was \$367,729.

As of November 29, 2018, there were 183,864,600 shares of the registrant's common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

None.

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**MCTC HOLDINGS, INC.**

**ANNUAL REPORT ON FORM 10-K**

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## PART I

### **Forward-Looking Statements**

*Except for the historical information presented in this document, the matters discussed in this Form 10-K for the year ended August 31, 2018 contain forward-looking statements which involve assumptions and our future plans, strategies, and expectations. These statements are generally identified by the use of words such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” or “project,” or the negative of these words or other variations on these words or comparable terminology. These statements are expressed in good faith and based upon a reasonable basis when made, but there can be no assurance that these expectations will be achieved or accomplished.*

*Such forward-looking statements include statements regarding, among other things, (a) our potential profitability and cash flows, (b) our growth strategies, (c) our future financing plans, and (d) our anticipated needs for working capital. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. These statements may be found under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as in this Form 10-K generally. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the matters described in this Form 10-K generally. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. In addition to the information expressly required to be included in this filing, we will provide such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading.*

*Although forward-looking statements in this report reflect the good faith judgment of our management, forward-looking statements are inherently subject to known and unknown risks, business, economic and other risks and uncertainties that may cause actual results to be materially different from those discussed in these forward-looking statements. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We assume no obligation to update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this report, other than as may be required by applicable law or regulation. Readers are urged to carefully review and consider the various disclosures made by us in our reports filed with the Securities and Exchange Commission which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operation and cash flows. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected or projected.*

*Except where the context otherwise requires and for purposes of this Form 10-K only, “we,” “us,” “our,” “Company,” “our Company,” and “MCTC” refer to MCTC Holdings, Inc.*

## ITEM 1. BUSINESS

### Description of Business

MicroChannel Technologies Corporation (the “Company”) was formed as a wholly-owned subsidiary of New Energy Technologies, Inc. (“New Energy”). New Energy spun off its issued and outstanding shares to New Energy’s shareholders on December 18, 2007. We were incorporated under the name MultiChannel Technologies Corporation on February 28, 2005 in the State of Nevada, and changed to our existing name, on April 4, 2005.

On or about June 27, 2018 we changed domiciles from the State of Nevada to the State of Delaware and thereafter reorganized under the Delaware Holding Company Statute Delaware General Corporation Law Section 251(g). On or about July 12, 2018, two subsidiaries were formed for the purpose of effecting the reorganization. We incorporated MCTC Holdings, Inc. and MCTC Holdings Inc. incorporated MicroChannel Corp.. We then effected a merger involving the three constituents and under the terms of the merger we were merged into MicroChannel Corp., with MicroChannel Corp. surviving and our separate corporate existence ceasing. Following the merger MCTC Holdings, Inc. became the surviving publicly traded issuer and all of our assets and liabilities were merged into MCTC Holdings, Inc.’s wholly owned subsidiary MicroChannel Corp.. Our shareholders became the shareholders of MCTC Holdings, Inc. on a one for one basis.

We are not currently engaged in any business operations. We are, however, in the process of attempting to identify, locate, and if warranted, acquire new commercial opportunities.

## **Employees**

As of August 31, 2018, we did not have any employees.

## **ITEM 2. PROPERTIES**

Our corporate office is located at 1919 NW 19<sup>th</sup> Street, Suite 302 , Fort Lauderdale, FL 33311. We are not currently charged rent to utilize this space.

## **ITEM 3. LEGAL PROCEEDINGS**

As of the date of this report, we are not a party to any material pending legal proceedings or government actions, including any bankruptcy, receivership, or similar proceedings. Should any liabilities incur in the future, they will be accrued based on management's best estimate of the potential loss. As such, there is no adverse effect on our financial position, results of operations or cash flow at this time. Furthermore, we do not believe that there are any proceedings to which any of our directors, officers, or affiliates, or any beneficial owner of record of more than five percent of our common stock, or any associate of any such director, officer, affiliate, or security holder is a party adverse or has a material interest adverse to us.

## **ITEM 4. MINE SAFETY DISCLOSURES**

Not Applicable.



## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

#### Market Information

Our common stock is quoted on the OTC Markets Group, Inc. OTCQB <sup>TM</sup> tier (the "OTCQB") under the symbol "MCTC."

The following table sets forth the high and low bid prices for our common stock for each quarter during the past two fiscal years as quoted on the OTCQB. These prices reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions:

	High	Low
<u>Fiscal Year Ended August 31, 2018</u>		
First Quarter 2015 (September 1 – November 30, 2017)	\$0.002	\$0.001
Second Quarter 2015 (December 1, 2017 – February 28, 2018)	\$0.002	\$0.001
Third Quarter 2015 (March 1 – May 31, 2018)	\$0.002	\$0.001
Fourth Quarter 2015 (June 1 – August 31, 2018)	\$0.002	\$0.001
<u>Fiscal Year Ended August 31, 2017</u>		
First Quarter 2016 (September 1 – November 30, 2016)	\$0.002	\$0.002
Second Quarter 2016 (December 1, 2016 – February 28, 2017)	\$0.002	\$0.002
Third Quarter 2016 (March 1 – May 31, 2017)	\$0.002	\$0.002
Fourth Quarter 2016 (June 1 – August 31, 2018)	\$0.002	\$0.002

On November 29, 2018, the closing price of our common stock was \$0.001 per share.

The Company has 10,000,000 shares of Preferred Stock Authorized, with 0 Issued and Outstanding and 290,000,000 shares of Common Stock Authorized, with 183,864,600 Issued and Outstanding as of the year ended August 31, 2018 and as of the date of this filing, November 29, 2018.

There were approximately 39 stockholders of record of our common stock as of November 29, 2018.

### **Transfer Agent**

Our transfer agent is Pacific Stock Transfer Company, with offices at:

6725 Via Austi Parkway

Suite 300

Las Vegas, NV 89119.

### **Dividend Policy**

We have not paid any dividends on our common stock and our board of directors presently intends to continue a policy of retaining earnings, if any, for use in our operations. The declaration and payment of dividends in the future, of which there can be no assurance, will be determined by the board of directors in light of conditions then existing, including earnings, financial condition, capital requirements and other factors. The Nevada Revised Statutes prohibit us from declaring dividends where, if after giving effect to the distribution of the dividend:

- We would not be able to pay our debts as they become due in the usual course of business; or
- Our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of stockholders who have preferential rights superior to those receiving the distribution.

Except as set forth above, there are no restrictions that currently materially limit our ability to pay dividends or which we reasonably believe are likely to limit materially the future payment of dividends on common stock.

Our Board of Directors has the right to authorize the issuance of preferred stock, without further stockholder approval, the holders of which may have preferences over the holders of the common stock as to payment of dividends.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Overview**

The following discussion and analysis of our financial condition and results of operations (“MD&A”) should be read in conjunction with our financial statements and the accompanying notes to the financial statements included in this Form 10-K.

The MD&A is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions .

### **Background**

We were formed as a wholly-owned subsidiary of New Energy Technologies, Inc. New Energy spun off its issued and outstanding shares to New Energy’s shareholders on December 18, 2007. We were incorporated under the name MultiChannel Technologies Corporation on February 28, 2005 in the State of Nevada, and changed to our existing name on April 4, 2005.

On or about June 27, 2018 we changed domiciles from the State of Nevada to the State of Delaware and thereafter reorganized under the Delaware Holding Company Statute Delaware General Corporation Law Section 251(g). On or about July 12, 2018, two subsidiaries were formed for the purpose of effecting the reorganization. We incorporated MCTC Holdings, Inc. and MCTC Holdings Inc. incorporated MicroChannel Corp.. We then effected a merger involving the three constituents and under the terms of the merger we were merged into MicroChannel Corp., with MicroChannel Corp. surviving and our separate corporate existence ceasing. Following the merger MCTC Holdings, Inc. became the surviving publicly traded issuer and all of our assets and liabilities were merged into MCTC Holdings, Inc.’s wholly owned subsidiary MicroChannel Corp.. Our shareholders became the shareholders of MCTC Holdings, Inc. on a one for one basis.

We are not currently engaged in any business operations. We are, however, in the process of attempting to identify, locate, and if warranted, acquire new commercial opportunities.

## Results of Operations

### *Years Ended August 31, 2018 and August 31, 2017*

The professional fees were \$34,711 and \$0, in the years ended August 31, 2018 and August 31, 2017, respectively. This was due to an increase in business operations in 2018. General & Administrative expenses were \$11,533 and \$1,431, for the years ended August 31, 2018 and August 30, 2017, respectively.

The interest expense of \$35,810 and \$6,999 for the years ended August 31, 2018 and August 31, 2017, respectively, are related to a note payable that the Company issued on January 9, 2014 in the amount of \$70,000, to a shareholder of the Company and a multiple notes payable incurred from November 30, 2017 – August 31, 2018 in the amount of \$35,554, to a related party, and related beneficial conversion features related to these notes.. The \$70,000 note payable to a shareholder, bears interest at an annual rate of 7%, which then increased to 10% after it was in default. Principal and accrued interest on the note payable of the company were due on January 9, 2016, with a default annual rate of 10% interest after that date. As of August 31, 2018, \$70,000 of the principal balance remained outstanding on the note payable to the shareholder. The \$35,554 in multiple notes payable to a related party, bear interest at an annual rate of 10%. On May 8, 2018, \$13,000 of this debt was converted into shares of common stock, with \$22,554 remaining as of August 31, 2018. The outstanding balance of principal and accrued interest may be prepaid on both without penalty. As of August 31, 2018, \$22,554 of the principal balance remained outstanding on the note payable to the related party. As of August 31, 2018, there was a cumulative interest due of \$28,306.

Net cash used in operating activities was \$35,734 for the year ended August 31, 2018, compared to net cash used in operating activities of \$180 for the previous year ended August 31, 2017. Based on our current level of expenditures, additional funding is required to cover our operations for at least the next twelve months. The company is in the process of attempting to identify, locate, and if warranted, acquire new commercial opportunities.



## **Liquidity and Capital Resources**

As of the year ended August 31, 2018, we had an accumulated deficit of \$738,004 and cash and cash equivalents of \$4,652. In the year ended August 31, 2017, we had an accumulated deficit of \$651,158 and cash and cash equivalents of \$4,832.

In January 2014, we received funding by issuing a \$70,000 note payable to a shareholder. The \$70,000 note payable was due on January 9, 2016 and has not been repaid as of the date of this filing and is thus in default as of August 31, 2018.

In November 2017 – August 2018 we received funding from issuing \$35,554 in notes payable to a legal custodian of the company. On May 8, 2018, \$13,000 of this debt was converted to shares of common stock, with \$22,554 in notes payable still outstanding at August 31, 2018.

## **Other Contractual Obligations**

As of the year ended August 31, 2018, we do not have any contractual obligations other than the \$70,000 note payable to a shareholder and \$22,554 in notes payable to a legal custodian of the company and related accrued interest on those notes. The \$70,000 note payable was due on January 9, 2016 and has not been repaid as of this filing and is thus in default.

## **Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements.

## **Recently Issued Accounting Pronouncements**

We review new accounting standards as issued. Although some of these accounting standards issued or effective after the end of our previous fiscal year may be applicable to the Company, we have not identified any standards that we believe merit further discussion. We do not expect the adoption of any recently issued accounting pronouncements to have a significant impact on our financial position, results of operations, or cash flows.







## **ITEM 8. FINANCIAL STATEMENTS**

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Boyle CPA, LLC

Certified Public Accountant & Consultant

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and

Stockholders of MCTC Holdings, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of MCTC Holdings, Inc. (the “Company”) as of August 31, 2018 and 2017, and the related consolidated statements of operations, stockholders’ deficit, and cash flows for each of the years in the two-year period ended August 31, 2018, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2018 and 2017, and the results of its operations and its cash flows for each of the two years in the period ended August 31 2018, in conformity with accounting principles generally accepted in the United States of America.

### Basis of Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to fraud or error. The Company is not required to

have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

As discussed in Note 2 to the consolidated financial statements, the Company's continuing net losses and negative operating cash flows raise substantial doubt about its ability to continue as a going concern for a period of one year from the issuance of these consolidated financial statements. Management's plans are also described in Note 2. The consolidated financial statements do not include adjustments that might result from the outcome of this uncertainty.

*/s/ Boyle CPA, LLC*

We have served as the Company's auditor since 2017

Bayville, New Jersey

November 27, 2018

361 Hopedale Drive SE P (732) 822-4427

Bayville, NJ 08721 F (732) 510-0665

MCTC Holdings, Inc.  
CONSOLIDATED BALANCE SHEETS

	August 31,	
	2018	2017
<b>ASSETS</b>		
Current Assets:		
Cash	\$4,652	\$4,832
Total Current Assets	4,652	4,832
<b>TOTAL ASSETS</b>	<b>\$4,652</b>	<b>\$4,832</b>
<b>LIABILITIES &amp; STOCKHOLDER'S DEFICIT</b>		
Current Liabilities:		
Accounts Payable	\$ 11,688	\$2,586
Accounts Payable - Related Party	6,200	—
Accrued Interest	28,306	21,307
Accrued Interest - Related Party	857	—
Notes Payable - Related Party	22,554	—
Note Payable to Shareholder	70,000	70,000
Total Current Liabilities	139,605	93,893
Total Liabilities	139,605	93,893
Stockholder's Deficit		
Preferred Stock, par value \$0.0001, 10,000,000 shares Authorized, 0 shares Issued and Outstanding at August 31, 2018 and August 31, 2017	—	—
Common Stock, par value \$0.0001, 290,000,000 shares Authorized, 183,864,600 shares Issued and Outstanding at August 31, 2018 and 53,864,600 shares Issued and Outstanding at August 31, 2017	18,386	5,386
Additional Paid-In Capital	584,665	556,711
Accumulated Deficit	(738,004)	(651,158)
Total Stockholder's Deficit	(134,953)	(89,061 )
<b>TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIT</b>	<b>\$4,652</b>	<b>\$4,832</b>

The accompanying notes are an integral part of these audited consolidated financial statements



MCTC Holdings, Inc.

## CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended August 31,	
	2018	2017
Revenues:	\$—	\$—
Expenses:		
Advertising fees	792	—
Consulting fees	4,000	—
Professional fees	34,711	—
General and administrative expense	11,533	1,431
Total Operating Expenses	51,036	1,431
Operating Loss	(51,036 )	(1,431 )
Other Expense		
Interest expense	35,810	6,999
Net Loss	(86,846 )	\$(8,430 )
Basic & Diluted Loss per Common Share	\$(0.00 )	\$(0.00 )
Weighted Average Common Shares Outstanding	112,592,670	53,864,600

The accompanying notes are an integral part of these audited consolidated financial statements

## MCTC Holdings, Inc.

## CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

	Common Stock Shares	Par Value	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance as of August 31, 2016	53,864,600	\$5,386	\$556,711	\$(642,728)	\$(80,631)
Net Loss	—	—	—	(8,430)	(8,430)
Balance as of August 31, 2017	53,864,600	\$5,386	\$556,711	\$(651,158)	\$(89,061)
Stock Issuance from Debt Conversion	130,000,000	13,000	—	—	13,000
Beneficial Conversion Feature	—	—	27,954	—	27,954
Net Loss	—	—	—	(86,846)	(86,846)
Balance as of August 31, 2018	183,864,600	\$—	\$584,665	\$(738,004)	\$(134,953)

The accompanying notes are an integral part of these audited consolidated financial statements

MCTC Holdings, Inc.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Years Ended August 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$(86,846)	\$(8,430)
Adjustments to reconcile net loss to net cash used in operating activities:		
Beneficial Conversion Feature	27,954	—
Changes In:		
Accounts Payable	9,102	1,251
Accounts Payable - Related Party	6,200	—
Accrued Interest	6,999	6,999
Accrued Interest - Related Party	857	—
Net Cash Used in Operating Activities	(35,734)	(180 )
CASH FLOWS FROM FINANCING		
Proceeds from Note Payable - Related Party	35,554	—
Net Cash Provided by Financing Activities	35,554	—
Net (Decrease) Increase in Cash	(180 )	(180 )
Cash at Beginning of Period	4,832	5,012
Cash at End of Period	\$4,652	\$4,832
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$—	\$—
Franchise Taxes	\$—	\$—
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
130,000,000 shares of common stock were issued in exchange for a debt conversion of \$13,000 due to a related party	\$13,000	\$—

The accompanying notes are an integral part of these audited consolidated financial statements





**MCTC HOLDINGS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**August 31, 2018**

**Note 1. Organization and Description of Business**

MicroChannel Technologies Corporation (the “Company”) was formed as a wholly-owned subsidiary of New Energy Technologies, Inc. (“New Energy”). New Energy spun off its issued and outstanding shares to New Energy’s shareholders on December 18, 2007. The Company was incorporated under the name MultiChannel Technologies Corporation on February 28, 2005 in the State of Nevada, and changed to its existing name on April 4, 2005.

On or about June 27, 2018 we changed domiciles from the State of Nevada to the State of Delaware and thereafter reorganized under the Delaware Holding Company Statute Delaware General Corporation Law Section 251(g). On or about July 12, 2018, two subsidiaries were formed for the purpose of effecting the reorganization. We incorporated MCTC Holdings, Inc. and MCTC Holdings Inc. incorporated MicroChannel Corp.. We then effected a merger involving the three constituents and under the terms of the merger we were merged into MicroChannel Corp., with MicroChannel Corp. surviving and our separate corporate existence ceasing. Following the merger MCTC Holdings, Inc. became the surviving publicly traded issuer and all of our assets and liabilities were merged into MCTC Holdings, Inc.’s wholly owned subsidiary MicroChannel Corp.. Our shareholders became the shareholders of MCTC Holdings, Inc. on a one for one basis.

The Company is not currently engaged in any business operations. It is, however, in the process of attempting to identify, locate, and if warranted, acquire new commercial opportunities.

**Note 2. Going Concern Uncertainties**

The Company has not generated any revenues, has an accumulated deficit of \$738,004 as of August 31, 2018, and does not have positive cash flows from operating activities. The Company expects to incur additional losses as it continues to identify and develop new commercial opportunities. The Company will be subject to the risks,

uncertainties, and difficulties frequently encountered by early-stage companies. The Company may not be able to successfully address any or all of these risks and uncertainties. Failure to adequately do so could cause the Company's business, results of operations, and financial condition to suffer. These conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of one year from the issuance date of these financial statements.

The Company's ability to continue as a going concern is an issue due to its net losses and negative cash flows from operations, and its need for additional financing to fund future operations. Management plans to identify commercial opportunities and to obtain necessary funding from outside sources. There can be no assurance that such funds, if available, can be obtained on terms reasonable to the Company. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments that may result from the outcome of this uncertainty. Based on the Company's current level of expenditures, management believes that cash on hand is adequate to fund operations for at least the next twelve months.

### **Note 3. Summary of Significant Accounting Policies**

#### *Basis of Presentation*

The accompanying financial statements have been prepared in accordance with U.S. GAAP.

#### *Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and expenses during the reporting period. On an on-going basis, the Company evaluates its estimates. Actual results and outcomes may differ materially from the estimates as additional information becomes known

#### *Cash and Cash Equivalents*

Cash and cash equivalents includes highly liquid investments with original maturities of three months or less. On occasion, the Company has amounts deposited with financial institutions in excess of federally insured limits.



### *Fair Value of Financial Instruments*

The Company measures certain financial assets and liabilities at fair value based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The carrying value of cash and cash equivalents and accounts payable approximate their fair value because of the short-term nature of these instruments and their liquidity. Management is of the opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

### *Income Taxes*

Deferred income tax assets and liabilities are determined based on the estimated future tax effects of net operating loss and credit carryforwards and temporary differences between the tax basis of assets and liabilities and their respective financial reporting amounts measured at the current enacted tax rates. The Company records an estimated valuation allowance on its deferred income tax assets if it is not more likely than not that these deferred income tax assets will be realized.

The Company recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. As of August 31, 2018 and 2017, the Company has not recorded any unrecognized tax benefits. See Note 6. Income Taxes.

### *Segment Reporting*

The Company's business currently operates in one segment.

### *Net Loss per Share*

The computation of basic net loss per common share is based on the weighted average number of shares that were outstanding during the year. The computation of diluted net loss per common share is based on the weighted average

number of shares used in the basic net loss per share calculation plus the number of common shares that would be issued assuming the exercise of all potentially dilutive common shares outstanding using the treasury stock method. See Note 4. Net Loss Per Share.

#### *Recently Issued Accounting Pronouncements*

The Company reviews new accounting standards as issued. Although some of these accounting standards issued or effective after the end of the Company's previous fiscal year may be applicable to the Company, it has not identified any standards that it believes merit further discussion. The Company does not expect the adoption of any recently issued accounting pronouncements to have a significant impact on its financial position, results of operations, or cash flows.

#### **Note 4. Net Loss Per Share**

During the years ended August 31, 2018 and 2017, the Company recorded a net loss. The Company does not have any potentially dilutive securities outstanding. Therefore, basic and diluted net loss per share is the same for those periods.

#### **Note 5. Note Payable to Shareholder**

On January 9, 2014, the Company issued a \$70,000 note payable to a shareholder of the Company. The note payable bears interest at an annual rate of 7%, which then increased to 10% after it was in default. Principal and accrued interest on the note payable were due on January 9, 2016, with a default annual rate of 10% interest after that date. The outstanding balance of principal and accrued interest may be prepaid without penalty. During the years ended August 31, 2018 and August 31, 2017, the Company recorded an interest expense of \$6,999, respectively, related to the note payable. As of August 31, 2018, the original principal balance of \$70,000 on the note payable remained outstanding, with accrued interest of \$28,306. The note payable was not repaid on January 9, 2016 and is thus in default as of the date of this filing.



## Note 6. Related Party

In October 2017 – August 31, 2018, the Company incurred a related party debt in the amount of \$10,000 to an entity related to the legal custodian of the Company for professional fees . As of August 31, 2018, a balance of \$6,200 remained outstanding.

In November 30, 2017 – August 31, 2018, the Company issued a \$35,554 in multiple notes payable to an entity related to the legal custodian of the Company. The notes payable bear interest at an annual rate of 10% and is convertible to common shares of the Company at \$0.0001 per share. On May 8, 2018, \$13,000 of the principal balance on notes payable were converted to common stock. As of August 31, 2018, \$22,554 of the principal balance remained outstanding on the note payable and \$857.

In March 2018 and May 2018, a legal custodian of the Company, funded the Company a \$600 in advances. On August 31, 2018, this amount was reclassified as a note payable, that bears interest at an annual rate of 10% and is payable upon demand. As of August 31, 2018, \$600 of the principal balance remained outstanding on the note payable and \$0 in accrued interest.

In connection with the above notes, the Company recognized a beneficial conversion feature of \$27,954, representing the intrinsic value of the conversion features at the time of issuance. This beneficial conversion feature was accreted to interest expense during the year ended August 31, 2018.

## Note 7. Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets at August 31, 2018 and 2017 are as follows:

	Year Ended	
	August 31,	
	2018	2017
Deferred tax assets:		



Net operating loss carryforwards	\$ 131,871	\$ 174,156
Capitalized research and development	—	998
Research and development credit carry forward	1,963	1,963
Total deferred tax assets	133,834	177,117
Less: valuation allowance	(133,834)	(177,117)
Net deferred tax asset	\$—	\$—

The net increase in the valuation allowance for deferred tax assets was \$43,283 and \$2,867 for the years ended August 31, 2018 and 2017. The Company evaluates its valuation allowance on an annual basis based on projected future operations. When circumstances change and this causes a change in management's judgment about the realizability of deferred tax assets, the impact of the change on the valuation allowance is reflected in current operations.

For federal income tax purposes, the Company has net U.S. operating loss carry forwards at August 31, 2018 available to offset future federal taxable income, if any, of \$600,844, which will fully expire by the fiscal year ended August 31, 2038. Accordingly, there is no current tax expense for the years ended August 31, 2018 and 2017. In addition, the Company has research and development tax credit carry forwards of \$1,963 at August 31, 2018, which are available to offset federal income taxes and fully expire by August 31, 2038.

The utilization of the tax net operating loss carry forwards may be limited due to ownership changes that have occurred as a result of sales of common stock.

The effects of state income taxes were insignificant for the years ended August 31, 2018 and 2017.

The following is a reconciliation between expected income tax benefit and actual, using the applicable statutory income tax rate of 34% for the years ended August 31, 2018 and 2017:

	Year Ended August 31,	
	2018	2017
Income tax benefit at statutory rate	\$30,131	\$2,867
Change in valuation allowance	(30,131)	(2,867)
	\$—	\$—

The fiscal years 2012 through 2018 remain open to examination by federal authorities and other jurisdictions in which the Company operates.

On December 22, 2017, the Tax Cuts and Jobs Act was enacted. This law substantially amended the Internal Revenue Code, including reducing the U.S. corporate tax rates. Upon enactment, the Company's deferred tax asset and related valuation allowance decreased by \$66,970 to \$110,147. As the deferred tax asset is fully allowed for, this change in rates had no impact on the Company's financial position or results of operations.

#### **Note 7. Common Stock**

There were 53,864,600 shares of Common Stock issued and outstanding as of August 31, 2017. On May 8, 2018, 13,000 of the principal balance on notes payable to a related party were converted into common stock and 130,000,000 shares of common stock were issued. As of August 31, 2018, there were 183,864,600 shares of Common Stock issued and outstanding.

#### **Note 8. Subsequent Events**

In September 2018, the Company issued a \$10,355 in additional notes payable to an entity related to the legal custodian of the Company. The notes payable bear interest at an annual rate of 10% and are payable on demand.





**ITEM 9. – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None

**ITEM 9. A – CONTROLS AND PROCEDURES**

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

**EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES**

For purposes of this Item 9A, the term disclosure controls and procedures means controls and other procedures of the Company (i) that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (15 U.S.C. 78a *et seq.* and hereinafter the “Exchange Act”) is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Securities and Exchange Commission (the “Commission”), and (ii) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our disclosure controls and procedures do not comply with the requirements in (i) and (ii) above.

Our Chief Executive Officer, Garry McHenry, has reviewed the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) as of the end of the period covered by the report August 31, 2018 and has concluded that (i) the Company's disclosure controls and procedures are not effective to ensure that material information relating to the Company is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Commission, and (ii) the Company's controls and procedures have not been designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The material weakness identified relates to the lack of proper segregation of duties. The Company believes that the lack of proper segregation of duties is due to the Company's limited resources.

## **REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of Company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of Company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, our internal control over financial reporting does not provide assurance that a misstatement of our financial statements would be prevented or detected.

As of August 31, 2018, management conducted an evaluation of the effectiveness of our internal control over financial reporting and found it to be not effective subsequent to filing our Annual Report on Form 10-K on November --, 2018 for the year ended August 31, 2018 with the Commission. Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management has concluded that the Company's internal controls over financial reporting are not effective because as noted in this Annual Report, we have limited resources available. As we obtain additional funding and employ additional personnel, we will implement programs recommended by the Treadway Commission to ensure the proper segregation of duties and reporting channels. Our independent public accountant, Boyle CPA, LLC, has not conducted an audit of our controls and procedures regarding internal control over financial reporting. Consequently, Boyle CPA, LLC expresses no opinion with regards to the effectiveness or implementation of our controls and procedures with regards to internal control over financial reporting.

#### **CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING**

There were no changes in our internal control over financial reporting identified in connection with our evaluation of these controls as of the end of our last (fourth) fiscal quarter as covered by this report on August 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

#### **INHERENT LIMITATIONS ON EFFECTIVENESS OF CONTROLS**

The Company's management does not expect that its disclosure controls or its internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

## **ITEM 9. B – OTHER INFORMATION**

### **Change of Domicile and Reorganization into a Holding Company Structure**

On or about June 21, 2018, we changed domiciles from the State of Nevada to the State of Delaware. Thereafter, on or about July 12, 2018 two corporations were incorporated in the State of Delaware for the purpose of effecting a reorganization in to a holding company structure pursuant to the Delaware Holding Company Statute, Delaware General Corporation Law (“DGCL”) Section 251(g). MicroChannel Technologies Corporation incorporated MCTC Holdings, Corp. as a wholly owned subsidiary; and MCTC Holdings, Corp. incorporated MicroChannel Corp. as its wholly owned subsidiary. The certificates of incorporation and bylaws of the two subsidiaries are identical to the certificate of incorporation and bylaws of MicroChannel Technologies Corporation except for the permitted differences allowed under DGCL 251(g). Following the incorporation of these two subsidiaries, the boards of directors of the three entities voted in favor of a merger by and between MicroChannel Technologies Corporation and MicroChannel Corp. pursuant to which MicroChannel Technologies Corporation would be merged into MicroChannel Corp., with MicroChannel Corp. surviving the merger and MicroChannel Technologies Corporation being merged out of existence; its separate corporate existence ceasing. The Agreement and Plan of Merger was approved by each of the constituents’ boards of directors and the Certificate of Merger was filed with the Secretary of State of the State of Delaware on or about July 13, 2018. No shareholder vote was required. Under the terms of the merger, all of the assets and liabilities of MicroChannel Technologies Corporation became the assets and liabilities of MicroChannel Corp. and the shareholders of MicroChannel Technologies Corporation became the shareholders of MCTC Holdings, Inc. Following the merger, two corporations survived with MCTC Holdings Corp. becoming the successor publicly traded issuer having MicroChannel Corp. as its sole wholly owned subsidiary.





## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

#### DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names and ages of all of our directors and executive officers. We have a board of directors comprised of two members. Each director holds office until a successor is duly elected or appointed. Executive officers serve at the discretion of the Board and are appointed by the Board.

Also provided herein are brief descriptions of the business experience of each of the directors and officers during the past five years, and an indication of directorships held by each director in other companies subject to the reporting requirements under the Federal securities law.

As of the date of the Balance Sheet, August 31, 2018:

<b>Name</b>	<b>Age</b>	<b>Position With Company</b>	<b>Director Since</b>
Garry McHenry	60	Chief Executive Officer, Chief Financial Officer, President, Secretary, Treasurer, and Director	October 13, 2017

Garry McHenry. McHenry, age 60, started his career in the Telecommunications field in 1991 with Protel, a leading manufacturer of public payphones, where he helped develop one of the first fixed wireless public payphones. He has also served as Manager of Engineering of Wireless Payphones with Technology Service Group (which was one of the leading suppliers to Bell South), as Manager of South-Eastern Sales with U.S. Long Distance, LCI and Qwest Communications, and as Manager of International Sales for American International Telephone where he was responsible for the Nortel switching equipment line of products. He is currently President and sole Director of Digital Utilities, Inc. and a Manager at Matthews International in Ft. Lauderdale, FL. Mr. McHenry is a graduate of the Rochester Institute of Technology.

#### Family Relationships and Other Matters

There are no family relationships among or between any of our officers and directors.





## **Legal Proceedings**

During the past ten years none of our directors, persons nominated to become a director, or executive officers, have been involved in any legal proceedings as required to be disclosed pursuant to Item 401 of Regulation S-K..

## **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Because we do not have a class of equity securities registered pursuant to section 12 of the Exchange Act we are not required to make the disclosures required by Item 405 of Regulation S-K.

## **CODE OF ETHICS**

We have adopted a Code of Ethics that applies to all of our officers, directors and employees, including our Chief Financial Officer and Chief Executive Officer. The Code of Ethics is designed to deter wrongdoing, and to promote, among other things, honest and ethical conduct, full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to the SEC, compliance with applicable governmental laws, rules and regulations, the prompt internal reporting of violations of the Code of Ethics, and accountability for adherence to the Code of Ethics. A copy of our Code of Ethics may be obtained at no charge by sending a written request to our Chief Executive Officer, Garry McHenry . 1919 NW 19<sup>th</sup> Street, Suite 302 , Fort Lauderdale, FL 33311.

## **CORPORATE GOVERNANCE**

### **Board Leadership Structure and Role in Risk Oversight**

We have no fixed policy on whether the roles of Chairman of the Board and Chief Executive Officer should be separate or combined, with this decision being made based on our best interests considering the circumstances at the time. Currently, these roles are combined with Mr. Garry McHenry serving as both the Chairman of the Board and the Chief Executive Officer. We believe that combining these positions provides an effective leadership structure for our company, given the size of our Board. As Chief Executive Officer, Mr. Henry is involved in our day-to-day operations and thus is in a position to elevate important business issues for consideration by the Board. The Board also believes that the combined role of Chief Executive Officer and Chairman of the Board promotes effective execution of strategic goals and facilitates information flow between management and the Board. Nevertheless, the Board intends

to carefully evaluate from time to time whether our Chief Executive Officer and Chairman positions should be combined based on what the Board believes is best for us and our stockholders.

Management is responsible for the day-to-day management of risks the company faces, while the board, as a whole and through its committees, is responsible for the oversight of risk management. In its risk oversight role, the Board of Directors monitors whether the risk management processes that management has designed and implemented are effective both as designed and as executed.

#### **Board of Directors Meetings, Committees of the Board of Directors, and Annual Meeting Attendance**

During the fiscal years ended August 31, 2018 and 2016, there were no meetings of the Board of Directors. We do not maintain a policy regarding director attendance at annual meetings and we did not have an annual meeting during the fiscal year ended August 31, 2018.

We do not currently have any standing committees of the Board of Directors. The full Board is responsible for performing the functions of: (i) the Audit Committee, (ii) the Compensation Committee and (iii) the Nominating Committee.



### **Audit Committee**

The Board does not currently have a standing Audit Committee. The full Board performs the principal functions of the Audit Committee. The full Board monitors our financial reporting process and internal control system and reviews and appraises the audit efforts of our independent accountants.

### **Compensation Committee**

The Board does not currently have a standing Compensation Committee. The full Board establishes our overall compensation policies and reviews recommendations submitted by our management.

### **Nominating Committee**

The Board does not currently have a standing Nominating Committee. We do not maintain a policy for considering nominees. Our Bylaws provides that the number of Directors shall be fixed from time to time by the Board, but in no event shall be less than the minimum required by law. The Board shall be large enough to maintain our required expertise but not too large to function efficiently. Director nominees are recommended, reviewed and approved by the entire Board. The Board believes that this process is appropriate due to the relatively small number of directors on the Board and the opportunity to benefit from a variety of opinions and perspectives in determining director nominees by involving the full Board.

While the Board is solely responsible for the selection and nomination of directors, the Board may consider nominees recommended by stockholders as it deems appropriate. The Board evaluates each potential nominee in the same manner regardless of the source of the potential nominee's recommendation. Although we do not have a policy regarding diversity, the Board does take into consideration the value of diversity among Board members in background, experience, education and perspective in considering potential nominees for recommendation to the Board for selection. Stockholders who wish to recommend a nominee should send nominations to our Chief Executive Officer, Garry McHenry, 1919 NW 19<sup>th</sup> Street, Suite 302 , Fort Lauderdale, FL 33311, that include all information relating to such person that is required to be disclosed in solicitations of proxies for the election of directors. The recommendation must be accompanied by a written consent of the individual to stand for election if nominated by the Board and to serve if elected.

### **Compensation Consultants**



We have not historically relied upon the advice of compensation consultants in determining Named Executive Officer compensation. Instead, the full Board reviews compensation levels and makes adjustments based on their personal knowledge of competition in the market place, publicly available information and informal surveys of human resource professionals.

### **Stockholder Communications**

Stockholders who wish to communicate with the Board of Directors may do so by addressing their correspondence to the Board of Directors at MicroChannel Technologies Corporation, Attention: Garry McHenry, 1919 NW 19<sup>th</sup> Street, Suite 302 , Fort Lauderdale, FL 33311. The Board of Director shall review and respond to all correspondence received, as appropriate.



**ITEM 11. EXECUTIVE COMPENSATION****Summary Compensation**

The following table and descriptive materials set forth information concerning compensation earned for services rendered to us by: the Chief Executive Officer (the “CEO”); the Chief Financial Officer (the “CFO”); and the two other most highly-compensated executive officers other than the CEO and CFO who were serving as executive officers during the fiscal year ended August 31, 2018 (the “Named Executive Officers”).

**SUMMARY COMPENSATION TABLE**

The following table summarizes the compensation earned by the Named Executive Officers during the fiscal years ended August 31, 2018 and 2017:

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary</b>	<b>Total</b>
	<b>Ended August 31, 2018</b>	<b>(\$)</b>	<b>(\$)</b>
Garry McHenry Chief Executive Officer, Chief Financial Officer,  President, Secretary, Treasurer and Director.	2018	0	0
David Gamache Chief Executive Officer, Chief Financial Officer President, Secretary, Treasurer and Director	2017	0	0

**OUTSTANDING EQUITY AWARDS AT FISCAL-YEAR END**

We do not have an employee stock option plan or other benefit plans. Therefore, at August 31, 2018, there were no equity awards outstanding for the Named Executive Officers.

## **COMPENSATION OF DIRECTORS**

We do not pay director compensation to directors who are also our employees. Our Board of Directors determines the non-employee directors' compensation for serving on the Board and its committees. In establishing director compensation, the Board is guided by the following goals:

- Compensation should consist of a combination of cash and equity awards that are designed to fairly pay the directors for work required for a company of MCTC Holdings Inc.'s size and scope;
- Compensation should align the directors' interests with the long-term interests of stockholders; and
- Compensation should assist with attracting and retaining qualified directors.

In the years ended August 31, 2018 and 2017, we paid \$0 per month, respectively to non-employee directors for their services as directors. We also reimburse directors for any actual expenses incurred to attend meetings of the Board.



## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information as of August 31, 2018 by (i) all persons who are known by us to beneficially own more than 5% of our outstanding shares of common stock, and (ii) by each director, director nominee, and Named Executive Officer and (iii) by all executive officers and directors as a group:

Name and Address of Beneficial Owner	Positions and Offices Held	Amount and Nature of Beneficial Ownership <sup>(1)</sup>	Percent of Class <sup>(1)</sup>
Jatinder Bhogal 1962 Knox Road Vancouver, BC V6T 1S6	Stockholder	23,000,000	13.0 %
Lauderdale Holdings LLC Garry McHenry, Managing Member  1919 NW 19 <sup>th</sup> Street, Suite 302 Fort Lauderdale, FL 33311	Chief Executive Officer,  Chief Financial Officer,  President, Secretary, Treasurer and Director	130,000,000	71.0%
All Directors and Officers as a Group (1 person)		130,000,000	71.0 %

Calculated pursuant to rule 13d-3(d) of the Exchange Act. Beneficial ownership is calculated based on 183,864,600 shares of common stock issued and outstanding on a fully diluted basis as of November 29, 2018.

Unless otherwise stated below, each such person has sole voting and investment power with respect to all such <sup>(1)</sup>shares. Under Rule 13d-3(d) of the Exchange Act, shares not outstanding which are subject to options, warrants, rights or conversion privileges exercisable within 60 days of November 29, 2018 are deemed outstanding for the purpose of calculating the number and percentage owned by such person, but are not deemed outstanding for the purpose of calculating the percentage owned by each other person listed.







### **Payments Upon Termination or Change in Control**

There are no understandings or agreements known by management at this time which would result in a change in control.

We do not have any change-of-control or severance agreements with any of our executive officers or directors.

### **Securities Authorized for Issuance Under Equity Compensation Plans**

As of August 31, 2018, we do not have an incentive stock option plan and have not granted any warrants or other rights to employees, directors or consultants.

## **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

We do not have a formal written policy for the review and approval of transactions with related parties. However, our Code of Ethics and Corporate Governance Principles require actual or potential conflict of interest to be reported to the Chairman of the Board. Our employees are expected to disclose personal interests that may conflict with ours and they may not engage in personal activities that conflict with their responsibilities and obligations to us. Periodically, we inquire as to whether or not any of our Directors have entered into any transactions, arrangements or relationships that constitute related party transactions. If any actual or potential conflict of interest is reported, our entire Board of Directors and outside legal counsel review the transaction and relationship disclosed and the Board makes a formal determination regarding each Director's independence. If the transaction is deemed to present a conflict of interest, the Board of Directors will determine the appropriate action to be taken.

### **Transactions with Related Persons**

Since the beginning of the fiscal years ended August 31, 2018 and 2017, there have been no transactions in which we were or are a participant in which the amount involved exceeded \$120,000 and in which any related person (as that

term is defined for purposes of Section 404 (a) of Regulation S-K) had or will have a direct or indirect material interest and there are currently no such proposed transactions.

### **Review, Approval or Ratification of Transactions with Related Persons**

Our policy with regard to transactions with related persons is that all material transactions are to be reviewed by the entire Board of Directors for any possible conflicts of interest. In the event of a potential conflict of interest, the Board will generally evaluate the transaction in terms of the following standards: (i) the benefits to us; (ii) the impact on a director's independence in the event the related person is a director, an immediate family member of a director or an entity in which a director is a partner, shareholder or executive officer; (iii) the availability of other sources for comparable products or services; (iv) the terms and conditions of the transaction; and (v) the terms available to unrelated parties or the employees generally. The Board will then document its findings and conclusion in written minutes.

### **Independent Director**

As of the date of this filing, Our Board of Directors is currently comprised of a sole director, namely Garry Henry, who is not an independent director; as such term is defined under the rules of the Nasdaq Stock Market.



## ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

### INDEPENDENT PUBLIC ACCOUNTANTS

Boyle CPA, LLC served as our independent registered public accounting firm to audit our financial statements for the fiscal years ended August 31, 2018 and August 31, 2017. To the knowledge of management, neither such firm nor any of its members has any direct or material indirect financial interest in us or any connection with us in any capacity otherwise than as independent accountants.

Our Board of Directors, in its discretion, may direct the appointment of different public accountants at any time during the year, if the Board believes that a change would be in the best interests of the stockholders. The Board of Directors has considered the audit fees, audit-related fees, tax fees and other fees paid to Boyle CPA, LLC, as disclosed below, and has determined that the payment of such fees is compatible with maintaining the independence of the accountants.

We do not currently have an audit committee.

### PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table presents aggregate fees for professional services rendered by Boyle CPA during the years ended August 31, 2018 and August 31, 2017.

	Year Ended August 31,	
	2018	2017
Audit fees	\$7,500	\$ 0
Tax fees	0	0
Total fees	\$7,500	\$ 0

### **Audit Fees**

Audit fees for the years ended August 31, 2018 and 2017 consist of the aggregate fees billed by Boyle CPA for the audit of the financial statements included in our Annual Report on Form 10-K and review of interim financial statements included in the quarterly reports on Form 10-Q during the years ended August 31, 2018 and 2017.

### **Audit-Related Fees**

There were \$7,500 audit-related fees billed by Boyle CPA in the year ended August 31, 2018 and \$0 for the year ended August 31, 2017.

### **Tax Fees**

Tax fees for the years ended August 31, 2018 and 2017 consist of the aggregate fees billed by Boyle CPA for professional services rendered for tax compliance, tax advice and tax planning.

### **All Other Fees**

There were no other fees billed by Boyle CPA for the years ended August 31, 2018 and 2017.



## **PART IV**

### **ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.**

(a) The following documents are filed as a part of this Form 10-K:

#### **1. Financial Statements**

The following financial statements are included in Part II, Item 8 of this Form 10-K:

- Report of Independent Registered Public Accounting Firms
- Consolidated Balance Sheets as of August 31, 2018 and 2017
- Consolidated Statement of Operations for the Years Ended August 31, 2018 and 2017
- Consolidated Statement of Stockholders' Deficit) for the Years Ended August 31, 2018 and 2017
- Consolidated Statement of Cash Flows for the Years Ended August 31, 2018 and 2017
- Notes to Consolidated Financial Statements

#### **2. Exhibits**

The Exhibits listed in the Exhibit Index, which appears immediately following the signature page, are incorporated herein by reference, and are filed as part of this Form 10-K.

#### **3. Financial Statement Schedules**

Financial statement schedules are omitted because they are not required or are not applicable, or the required information is provided in the financial statements or notes described in Item 15(a)(1) above.





## SIGNATURES

Pursuant to the requirements of Sections 13 or 15 (d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MCTC Holdings,  
Inc.  
(Registrant)

November 29, 2018 ~~By~~ Garry McHenry  
Garry McHenry  
Chief Executive  
Officer and Chief  
Financial Officer  
(Principal  
Executive Officer,  
Principal Financial  
Officer, and  
Principal  
Accounting  
Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in capacities and on the dates indicated.

Signature	Title	Date
/s/ Garry McHenry	Chief Executive Officer, Chief	November 29, 2018
Garry McHenry	Financial Officer, Director (Principal Executive Officer and, Principal Financial Officer)	





**Item 6. Exhibits**

**Exhibit No. Description of Exhibit**

2.1\*            Agreement and Plan of Merger

2.2\*            Certificate of Merger

3.1\*            Certificate of Incorporation of MicroChannel Technologies Corporation

3.2\*            By Laws of MicroChannel Technologies Corporation

21.1\*           Certificate of Incorporation of MCTC Holdings, Inc.

21.2\*           Bylaws of MCTC Corporation

21.3\*           Certificate of Incorporation of MicroChannel Corp.

21.4\*           Bylaws of MicroChannel Corp.

31.1\* Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Rule 13(a)-14 of the Securities Exchange Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 USC. Section 1350.  
\* As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

\*Filed herewith.

<sup>(2)</sup> Incorporated by reference to the exhibits filed as part of the report on Form SB-2 filed by MicroChannel Technologies Corporation on October 1, 2007.