BANJO & MATILDA, INC.

FORM 8-K/A
(Amended Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Amendment No. 1 on

FORM 8-K/A

CURRENT REPORT
Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 14, 2013**

Banjo & Matilda, Inc.

(Exact Name of Registrant as Specified in Charter)

Nevada	**000-54277**	**27-1519178**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

76 William Street, Paddington, NSW Australia	**2021**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **011-61-2-8069-2665**

Eastern World Solutions Inc.
3330 South Federal Highway, Suite 220, Boynton Beach, Florida 33435
(Former Name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13-e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Special Note Regarding Forward Looking Statements

This report contains forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "would" and similar expressions intended to identify forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and are subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on forward-looking statements. Also, forward-looking statements represent our estimates and assumptions only as of the date of this report. You should read this report and the documents that we reference and filed as exhibits to this report completely and with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we assume no obligation to update any forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

Use of Certain Defined Terms

Except where the context otherwise requires and for the purposes of this report only:

- The "Registrant" and the "Company") refer to Banjo & Matilda, Inc., a Nevada corporation (formerly known as Eastern World Solutions, Inc.) which is a reporting company under the Exchange Act.
- "Banjo & Matilda", "we", "our" refers to Banjo & Matilda Pty Ltd, a corporation organized under the laws of Australia and a wholly-owned subsidiary of the Registrant;
- "Exchange Act" refers to the Securities Exchange Act of 1934, as amended;
- "SEC" refers to the Securities and Exchange Commission; and
- "Securities Act" refers to the Securities Act of 1933, as amended.

Item 1.01 Entry into a Material Definitive Agreement.

On November 14, 2013, the Registrant consummated a Share Exchange Agreement (the "Exchange Agreement") with Banjo & Matilda Pty Ltd, a corporation organized under the laws of Australia ("Banjo & Matilda") and the shareholders of Banjo & Matilda ("B&M Shareholders"). Pursuant to the Exchange Agreement, we acquired 100% of the issued and outstanding capital stock of Banjo & Matilda, making it a wholly-owned subsidiary of the Registrant (the "Transaction"). There was no prior relationship between the Company and any of its affiliates and Banjo & Matilda and any of its affiliates.

In consideration for the purchase of 100% of the issued and outstanding capital stock of Banjo & Matilda under the Exchange Agreement, the Registrant issued to the B&M Shareholders an aggregate of 18,505,539 restricted shares of the Registrant's common stock.

On November 15, 2013, the Registrant entered into an employment agreement with each of Brendan Macpherson, the Chief Executive Officer of the Registrant, and Belinda Storelli Macpherson, the Chief Creative Officer of the Registrant. Each employment agreement has an initial term of three years and will automatically renew for additional term of three years. Either party may elect not to renew the Employment Agreement for an additional three year term by written notice delivered to the other party no later than third August 30th of the final year of the term (which is 77 days prior to the expiration date).

Brendan Macpherson Employment Agreement

Under his employment agreement Mr. Macpherson is engaged as the Chief Executive Officer of the Registrant with a base salary of $125,000. His base salary will be increased by at least six percent (6%) each January 1 during the term of the employment agreement, commencing on January 1, 2014. The agreement provided that Mr. Macpherson would receive a signing bonus of 1,000,000 restricted shares of common stock of the Registrant and will also receive 1,000,000 shares of preferred stock of the Registrant. Although Mr. Macpherson has received the preferred stock, he and the Company have deferred delivery of the shares of common stock pending a determination as to whether that is an appropriate and tax efficient way to compensate Mr. Macpherson. During the term of his employment agreement, the preferred stock to be issued to Mr. Macpherson will have super voting rights of 100 votes for every share of preferred stock he owns. Upon the expiration or termination of his employment agreement, all of the preferred shares to be issued to Mr. Macpherson will automatically be cancelled and returned to authorized but unissued preferred stock.

Mr. Macpherson will also receive health and life insurance pursuant to his employment agreement.

In the event that Mr. Macpherson and the Registrant determine not to pay Mr. Macpherson's base salary in cash, his unpaid salary will accrue interest at the rate of 12% per annum (which interest shall be paid in cash). Mr. Macpherson has the option to convert his unpaid salary into shares of the Registrant's common stock. The conversion price will equal 50% of the Registrant's average closing bid price for the thirty day period prior to the Registrant's receipt of a conversion notice from Mr. Macpherson.

Mr. Macpherson may terminate his employment agreement upon thirty days' written notice (or such shorter period if agreed to by the Registrant). The Registrant may terminate the employment agreement with Mr. Macpherson with or without cause upon 180 days prior notice. Upon any termination of the employment agreement by the Registrant, Mr. Macpherson is entitled to receive as severance fifty percent (50%) of the total salary compensation he would have been entitled to receive for the remainder of the term of the employment agreement.

Upon any termination (with or without cause) or expiration of the employment agreement, the Registrant must provide Mr. Macpherson, at the Registrant's expense, life, disability and family health insurance for a period of thirty-six months.

In the event of Mr. Macpherson's death during the term of his employment agreement, the Registrant will pay to Mr. Macpherson's designee the greater of (x) $225,000 and (y) fifty percent (50%) of the total salary compensation he would have been entitled to receive for the reminder of the term of the employment agreement. In addition, the Registrant must also continue to pay for medical and health insurance for Mr. Macpherson's family for three years (which payments are in addition to the payments for family health insurance described in the preceding paragraph).

Upon any termination or expiration of the employment agreement, if Mr. Macpherson will receive severance payments of at least $150,000, he will be subject to non-compete and non-solicitation restrictions for a period of six months after such expiration or termination. The non-compete will apply to any area within five (5) miles of any location where the Registrant designs, manufactures or sells premium contemporary knitwear.

Belinda Storelli Macpherson Employment Agreement

Under her employment agreement Ms. Macpherson is engaged as the Chief Creative Officer of the Registrant with a base salary of $100,000. Her base salary will be increased by at least six percent (6%) each January 1 during the term of the employment agreement, commencing on January 1, 2014. The agreement also provided that Ms. Macpherson would also receive a signing bonus of 400,000 restricted shares of common stock of the Registrant. Ms. Macpherson and the Company have deferred delivery of the shares of common stock pending a determination as to whether that is an appropriate and tax efficient way to compensate Ms. Macpherson

Ms. Macpherson will also receive health and life insurance pursuant to her employment agreement.

In the event that Ms. Macpherson and the Registrant determine not to pay Ms. Macpherson's base salary in cash, her unpaid salary will accrue interest at the rate of 12% per annum (which interest shall be paid in cash). Ms. Macpherson has the option to convert her unpaid salary into shares of the Registrant's common stock. The conversion price will equal 50% of the Registrant's average closing bid price for the thirty day period prior to the Registrant's receipt of a conversion notice from Ms. Macpherson.

Ms. Macpherson may terminate her employment agreement upon thirty days' written notice (or such shorter period if agreed to by the Registrant). The Registrant may terminate the employment agreement with Ms. Macpherson with or without cause upon 180 days prior notice. Upon any termination of the employment agreement by the Registrant, Ms. Macpherson is entitled to receive as severance fifty percent (50%) of the total salary compensation she would have been entitled to receive for the reminder of the term of the employment agreement.

Upon any termination (with or without cause) or expiration of the employment agreement, the Registrant must provide Ms. Macpherson, at the Registrant's expense, life, disability and family health insurance for a period of thirty-six months.

Upon any termination (with or without cause) or expiration of the employment agreement, the Registrant must provide Ms. Macpherson, at the Registrant's expense, life, disability and family health insurance for a period of thirty-six months.

In the event of Ms. Macpherson's death during the term of her employment agreement, the Registrant will pay to Ms. Macpherson's designee the greater of (x) $200,000 and (y) fifty percent (50%) of the total salary compensation she would have been entitled to receive for the remainder of the term of the employment agreement. In addition, the Registrant must also continue to pay for medical and health insurance for Ms. Macpherson's family for three years (which payments are in addition to the payments for insurance described in the preceding paragraph).

Upon any termination or expiration of the employment agreement, if Ms. Macpherson will receive severance payments of at least $100,000, she will be subject to a non-compete and non-solicitation restrictions for a period of six months after such expiration or termination. The non-compete will apply to any area within five (5) miles of any location where the Registrant designs, manufactures or sells premium contemporary knitwear.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On November 14, 2013, the Registrant acquired all of the outstanding shares of common stock of Banjo & Matilda in an exchange of restricted shares of the Registrant's common stock for all of the issued and outstanding shares of Banjo & Matilda under Section 368(a)(1)(B) of the Internal Revenue Code (the "Share Exchange"). Banjo & Matilda is an Australian corporation, with its headquarters and a retail outlet located at 76 William Street, Paddington, New South Wales, Australia 2021. Banjo & Matilda has a website at www.banjoandmatilda.com

A description of Banjo & Matilda and other relevant information about Banjo & Matilda required by Item 201(f) follows:

Overview

Banjo & Matilda Pty Ltd. ("Banjo & Matilda", "we" and "our") was incorporated in Australia on May 27, 2009 as a Proprietary Company under the Corporations Act 2001. Banjo & Matilda is a designer, retailer and wholesaler of contemporary luxury knitwear that draws its inspiration from Australian heritage and beach lifestyle. Banjo & Matilda was founded by the husband and wife team of Belinda Storelli Macpherson and Brendan Macpherson in 2008 near Bondi Beach Australia, and launched its first line of knitwear in May 2008. Since then the brand has captured a very strong following amongst its customers, and is now working with key retailers and apparel industry partners to expand the brand and offering as a result of this success. Banjo & Matilda sells its products primarily through its own website (www.banjoandmatilda.com) and wholesales to a growing list of key retailers in Australia, New Zealand, Europe, Canada and the United States. Retailers sell Banjo & Matilda's knitwear both online and in their respective retail stores.

Banjo & Matilda's core business has been the design and sale of premium contemporary cashmere knitwear for women; however, it expects to expand its product lines to include knitwear for men and children among other products. Banjo & Matilda's current core market are women, 25-55, typically professionals willing to pay a premium for contemporary apparel.

Banjo & Matilda had revenue of $1,724,181 for the fiscal year ended June 30, 2013, an increase of $773,369 from the year ended June 30, 2012, representing an 81.3% increase. Banjo & Matilda's income from operations for the fiscal year ended June 30, 2013 was $166,058, compared to a loss from operations of $210,014 for the fiscal year ended June 30, 2012, which is an increase of $376,072 or 179.1%. Banjo & Matilda's net income increased from a net loss of $266,302 for the fiscal year ended June 30, 2012 to net income of $21,752 for the year ended June 30, 2013, representing an increase of $288,054, or 108.2%.

Our Market

We estimate based on industry feedback and sales data, that knitwear is equivalent to approximately 30% of apparel sales in North America and Europe. Banjo & Matilda's target customer group is professional women in the 25 – 55 age bracket, who have a level of disposable income and typically are in double income households. Most of Banjo & Matilda's sales have been in the 33 – 42 age group (36% of sales) and 43 – 52 age group (28% of sales). Women in the 23 – 32 age group make up approximately 25% of sales. Banjo & Matilda's target customers exhibit a preference for quality apparel that is elegant, comfortable and fun, and they are willing to pay a premium for such items. These customers also tend to be loyal to a brand which is "in-sync" with their lifestyle. Because most of Banjo & Matilda's sales are online, Banjo & Matilda customers are tech-savvy and can be reached throughout the world, primarily in Australia, the United States and Europe.

Our Products

Banjo & Matilda offers a comprehensive line of luxury contemporary cashmere knitwear for women. We also have a line of accessories, such as cashmere scarves, slippers, eye-masks and travel blankets. Each year Banjo & Matilda collaborates with a high profile artist or celebrity to create an exclusive limited edition cashmere sweater. In 2013, we collaborated with the singer Bryan Adams and prior collaborations included Australian businesswoman, television host, model and actress Elle Macpherson, controversial British artist Tracey Emin and Australian singer/songwriter, model and actress Natalie Imbrugila. We recently launched a capsule collection of four sweaters designed specifically to be sold exclusively through Gwyneth Paltrow's successful lifestyle blog GOOP.

Product Design

Our product design efforts are led by Belinda Storelli Macpherson. The design team identifies trends based on market intelligence and research and proactively seeks inspiration from Australian heritage and the beach lifestyle. We seek to combine exclusive cashmere yarn inspired by "luxe" lifestyle and statement designs. Our designs reflect Ms. Macpherson's unique aesthetic perspective and her desire to develop an accessible and understated luxury lifestyle brand.

Product Manufacturing

Banjo & Matilda does not own or operate any manufacturing facilities. We use third party contract manufacturers in, mostly in China. All yarns and fabrics are sourced from the most reputable suppliers. The materials used are mostly the highest grade that can be sourced locally in China. On occasion we use different suppliers within and outside of China. Banjo & Matilda works with a number of manufacturers, but most of our manufacturing is done by four primary Chinese manufacturers which produced approximately 98.7% of our products during the year ended June 30, 2013. During fiscal 2013, no single manufacturer produced more than approximately 35.7% of our product offering. Our manufacturers provide us with the speed to market necessary to respond quickly to changing trends and increased demand. We have developed a solid relationship with our manufacturers and take great care to ensure that they share Banjo & Matilda's commitment to quality and ethics. We do not, however, have any long-term agreements requiring us to use any manufacturer, and no manufacturer is required to produce our products in the long-term. We believe that the services of additional, or other, manufacturers and fabric supplierss of our fabrics could be obtained with little or no additional expense to us and/or delay in the timeliness of our production process.

Product Distribution

We distribute finished products from two warehouses, one located in Alexandria, New South Wales, Australia, and the other in Hong Kong. At both of these warehouse locations, we use pay for storage of our product and fulfillment services in which our products are packaged and shipped to customers. Our fulfillment service provider in Hong Kong consolidates all of our products manufactured in China, packages the products by region and customer and then ships our products. Products that are sent to our warehouse space in Australia are shipped to our Australian wholesale customers and to our online customers. We believe our distribution infrastructure will be sufficient to accommodate our expected online and wholesale sales growth and expanded product offerings over the next several years.

Product Marketing

Banjo & Matilda markets its products in the following key ways:

Online

Banjo & Matilda markets its products online primarily through its web site(s) www.banjoandmatilda.com, social media & video channels, EDM (email direct mailing) campaigns, paid search engine marketing (SEM), online advertising (some strategic placement of online paid media), affiliate e-commerce and publisher web sites, and online PR (editorial placement in key online related web sites, and engagement with key fashion & lifestyle bloggers). Core online marketing activities include:

- *Driving awareness & traffic to the web site* . By extending the brand through our online PR, affiliate and advertising activities, we in turn drive traffic to our web site - which can then be converted to “community” subscribers and sales.

- *Expand our Community* . We aim to provide compelling reasons for people who become aware of Banjo & Matilda and visit our various web channels to become a member of our community including: content (our Bondi Blog, Facebook, Instagram and EDM’s), special offers to join, and promotions such as the Company’s annual Sweater Exchange where the company works with a key media partner driving people to register with us to donate their pre-loved sweaters to charity, and in turn receive a discount voucher for a Banjo & Matilda sweater. In Australia we are up to the fourth year of this program. In 2013 the initiative donated over 6,000 sweaters to homeless woman in Sydney and Melbourne and generated over 2,000 new subscribers to Banjo & Matilda.

- *Convert traffic and subscribers to sales* . The Company has a dedicated e-commerce team which analyzes and optimizes its web site to improve conversion from traffic to sale and average order value, and drive lifetime value of the customer/repeat purchasing.

Traditional Media

The Company engages publicists to drive editorial placement in fashion and related publications including (but not limited to), fashion and lifestyle magazines, newspapers and television. It has generated a significant amount of press in Australia (in excess of $6MM in editorial value over the past five years), and expects to do the same over time in the United States and other key markets. It has just engaged a US based publicist and has begun to place editorial long lead press already.

In store

In our store in New South Wales and occasional pop up store(s) all customers are encouraged to join our mailing list by having their receipt sent to them by Email, and our online store is then promoted to them. Customers who purchase our products in our retail partner stores are encouraged through our swing tags to come to us directly.

Growth Strategy

In the next 12 months we intend to seek to raise approximately $1.5 million in additional financing to grow our online customer base and sales, wholesale customer base and expand our product offerings.

Wholesale

The Company has a small, but growing list of major department stores and premium independent retailers who are adopting the brand strongly. The brand and products have established a foothold in the market and, over the next two years, we expect to be stocked in a substantial number of key retailers around the world. New key wholesale customers have been secured each season since we began operations. In addition the Company is in the process of appointing sales agents in key markets around the world. We are focused on growing our wholesale customer base mainly to drive awareness and brand positioning, as well as sales. This is a key strategy in "looping" customers who have purchased through our retail network, back to our own higher margin e-commerce store(s) channel.

Online

Banjo & Matilda was an early adopter of the online channel. The Company now has 60 months of online sales data to aid in planning and focus investment with a proven correlation between database subscription, online visitation and sales. In addition to a comprehensive brand reach, subscriber acquisition and conversion program, the core strategy is to bring customers into our "world", and keep them as lifetime customers. We have a very loyal base of customers that have been acquired over time and frequently purchase every season (4-5 seasons per annum), and often multiple times each season.

Competition

Competition in the luxury knitwear industry is principally on the basis of brand image and recognition as well as product quality, style, price and distribution. Banjo & Matilda successfully competes on the basis of a premium brand image, unique designs, attainable price points and broad and cost-effective marketing methods. In addition, we believe our online retail approach and wholesale distribution strategy differentiates us from our competitors and allows us to more effectively control our brand image.

In line with a current trend growth in premium contemporary knitwear, the market is competitive. It includes increasing competition from established companies who are expanding their production and marketing of knitwear products, as well as from frequent new entrants to the market. We are in direct competition with wholesalers and direct sellers of men's and women's knitwear and related accessories, such as Zadig & Voltaire, Missoni, Equipment and Vince among others. Some of these companies have substantially greater sales than Banjo & Matilda and have a larger global retail and wholesale presence. However, we believe the following strengths differentiate us from our competitors and are important to our success:

- ***Uniquely Designed Knitwear.*** Our products are fresh, fun and versatile. They offer discreet luxury and a relaxed lifestyle attitude. All designs have strong attention to detail, use high-grade yarns and materials, are well designed and finished and are reasonably priced.

- ***Unique Australian Brand Heritage & Lifestyle Brand .*** The brand reflects the aspirational freedom and freshness of the Australian cosmopolitan beach lifestyle. The brand aims to be unpretentious yet still luxurious.

- ***Multi-faceted Marketing Approach.*** We differentiate Banjo & Matilda's products through a range of traditional and non-traditional marketing methods to build brand awareness and customer loyalty. We use a multi-faceted marketing strategy that includes social media, Email direct marketing, growing a subscriber database to develop customer loyalty, online video marketing, brand collaboration, fashion blogger outreach and traditional public relations campaigns. We believe this multi-faceted approach allows us to successfully increase brand awareness and broaden our appeal while reinforcing our premium brand image.

- ***Experienced Management Team with Proven Ability to Execute.*** Our co-founder and Executive Director, Brendan Macpherson, is a successful serial entrepreneur. He has started and developed five companies of which three have been sold and one went public. Mr. Macpherson has significant management experience and he has demonstrated the ability to successfully execute a business plan. Most recently, Mr. Macpherson was the Chief Marketing Officer of Pie Face, which operates bakery and café stores in Australia as well as franchises its business.

Intellectual Property

In August 2013, we registered our brand name and logo, Banjo & Matilda, with the IP Australia (which is the Australian Government agency that administers intellectual property such as trademarks). We believe we own the material trademarks used in connection with the marketing, distribution and sale of all of our products in Australia, the United States, and Europe (and in the other countries in which our products are currently or intended to be either sold or manufactured). We also own the (i) website URL's including and associated to banjoandmatilda.com (as well as banjoandmatilda.au, banjoandmatilda.uk, etc.), (ii) account "@BanjoMatilda" on Twitter, (iii) account "#Banjoandmatilda" on Instagram and (iv) Facebook page "Banjo & Matilda". We also maintain an account on Pininterest.com. As our products sales grow in other countries, we expect to secure the registration of our trademark in foreign jurisdictions, such as the United States, the U.K. and the European Union.

Employees

As of February 24, 2013, we had nine (9) employees, all of which are employed in Australia. None of our employees is currently covered by a collective bargaining agreement. We have had no labor-related work stoppages and we believe our relations with our employees are excellent.

RISK FACTORS

Risks Related to Our Business

Any material disruption of our information systems could disrupt our business and reduce our sales. We are dependent on information systems to operate our e-commerce websites, process transactions, respond to guest inquiries, manage inventory, purchase, sell and ship goods on a timely basis and maintain cost-efficient operations. Any material disruption or slowdown of our systems, including a disruption or slowdown caused by our failure to successfully upgrade our systems, system failures, viruses, computer "hackers" or other causes, could cause information, including data related to customer orders, to be lost or delayed which could result in delays in the delivery of products to our retail and wholesale customers or lost sales, which could reduce demand for our products and cause our sales to decline. If changes in technology cause our information systems to become obsolete, or if our information systems are inadequate to handle our growth, we could lose retail or wholesale customers.

The fluctuating cost of raw materials, particularly cashmere, could increase our cost of goods sold and cause our results of operations and financial condition to suffer. The fabric used to make our products is primarily cashmere, although we also use natural fibers, including cotton. Our costs for raw materials are affected by, among other things, weather, consumer demand, speculation on the commodities market, the relative valuations and fluctuations of the currencies of producer versus consumer countries and other factors that are generally unpredictable and beyond our control. Increases in the cost of raw materials, including petroleum or the prices we pay for our yarn, could have a material adverse effect on our cost of goods sold, results of operations, financial condition and cash flows.

The apparel industry is heavily influenced by general macroeconomic cycles that affect consumer spending, and a prolonged period of depressed consumer spending could have a material adverse effect on our business, financial condition and operating results. The apparel industry has historically been subject to cyclical variations, recessions in the general economy and uncertainties regarding future economic prospects that can affect consumer spending habits. Purchases of luxury items, such as our products, tend to decline during recessionary periods, when disposable income is lower. The success of our operations depends on a number of factors impacting discretionary consumer spending, including general economic conditions, consumer confidence, wages and unemployment, housing prices, consumer debt, interest rates, fuel and energy costs, taxation and political conditions. A continuation or worsening of the current weakness in the global economy or the economy in our key markets (Australia, the United States and Europe) may negatively affect consumer and wholesale purchases of our products and could have a material adverse effect on our business, financial condition and operating results.

Privacy breaches and other cyber security risks related to our e-commerce business could negatively affect our reputation, credibility and business. We are responsible for storing data relating to our customers and employees and rely on third parties for the operation of parts of our e-commerce website, *banjoandmatilda.com* , and for the various social media tools and websites we use as part of our marketing strategy. Our online store on our website is operated by a third-party provider. Consumers, lawmakers and consumer advocates alike are increasingly concerned over the security of personal information transmitted over the Internet, consumer identity theft and privacy. We require that our third-party service provider implements reasonable security measures to protect our customers' identity and privacy. We do not, however, control these third-party service providers and cannot guarantee that no electronic or physical computer break-ins and security breaches will occur in the future. Likewise, our systems and technology are subject to the risk of system failures, viruses, "hackers" and other causes that are out of our control. Any perceived or actual unauthorized disclosure of personally identifiable information regarding our customers or website visitors could harm our reputation and credibility, reduce our online sales, impair our ability to attract website visitors and reduce our ability to attract and retain customers, and potentially expose us to significant related liability. Finally, we could incur significant costs in complying with the multitude of local, national and foreign laws regarding the use and unauthorized disclosure of personal information (to the extent they are applicable). We also may incur significant costs in our implementation of additional security measures to comply with applicable laws and industry standards and to further protect customer data.

The departure of our co-founders could have a material adverse effect on our business. We depend on the services and management experience of our co-founders, Belinda Storelli Macpherson and Brendan Macpherson, who have substantial experience and expertise in our business. In particular, Ms. Macpherson has provided design leadership to Banjo & Matilda since its inception. She is instrumental to our marketing and publicity strategy and is closely identified with both our brand and company. Our ability to maintain our brand image and leverage the goodwill associated with Ms. Macpherson may be damaged if we were to lose her services. Banjo & Matilda currently does not have an employment agreement with Ms. Macpherson, who has the right to terminate her employment with us at any time. In addition, the leadership of Brendan Macpherson, our Chief Executive Officer, has been a critical element of Banjo & Matilda's success. The loss of services of Mr. Macpherson and/or Ms. Macpherson or any negative public perception with respect to, or relating to, the loss of one or more of these individuals could have a material adverse effect on our business, financial condition and operating results.

We are dependent on two distribution facilities. If one or more of our distribution facilities experiences operational difficulties or becomes inoperable, it could have a material adverse effect on our business, financial condition and operating results. We use distribution facilities in Hong Kong and in Alexandria, Australia. Our ability to meet the needs of our wholesale customers and our online retail customers depends on the proper operation of these distribution facilities. If either of these distribution facilities were to shut down or otherwise become inoperable or inaccessible for any reason, we could suffer a substantial loss of inventory and/or disruptions of deliveries to our wholesale customers and retail customers. In addition, we could incur significantly higher costs and longer lead times associated with the distribution of our products during the time it takes to reopen or replace the damaged facility. Any of the foregoing factors could have a material adverse effect on our business, financial condition and operating results.

If our manufacturing contractors fail to use acceptable, ethical business practices, our business and reputation could suffer. We require our manufacturing contractors to operate in compliance with applicable laws, rules and regulations regarding working conditions, employment practices and environmental compliance. Additionally, we impose upon our business partners operating guidelines that require additional obligations in those three areas in order to promote ethical business practices, and our staff and third parties we retain for such purposes periodically visit and monitor the operations of our manufacturing contractors to determine compliance. However, we do not control our manufacturing contractors or their labor and other business practices. If one of our manufacturing contractors violates applicable labor or other laws, rules or regulations or implements labor or other business practices that are generally regarded as unethical in our markets, such as Australia, Europe or the United States, the shipment of finished products to us could be interrupted, orders could be cancelled, relationships could be terminated and our reputation could be damaged. Any of these events could have a material adverse effect on our business, financial condition and operating results.

Due to the highly competitive nature of the apparel industry, our success depends on our ability to meet consumer demands, respond to fashion trends, and provide superior quality. There is intense competition in the sector of the apparel industry in which Banjo & Matilda participates. Banjo & Matilda will compete with many other apparel companies, some of which are larger and have greater financial resources, more comprehensive product lines; longer-standing relationships with suppliers, manufacturers, and retailers; greater distribution and marketing capabilities; and, stronger brand recognition and loyalty than Banjo & Matilda. Our competitors' greater capabilities in these areas may enable them to better differentiate their products from Banjo & Matilda, withstand periodic downturns in the apparel industry, compete more effectively on the basis of price and production and more quickly develop new products. Management of Banjo & Matilda believes in order to be successful in this industry we must be able to evaluate and respond to changing consumer demand and taste and to remain competitive in the areas of style and quality while operating within the significant domestic and foreign production and delivery constraints of the industry.

Risks Related to Our Common Stock and Our Status as a Public Company

We may need to raise additional capital by sales of our common stock, which may adversely affect the market price of our common stock and your rights in us may be reduced. We will need to raise additional funds to expand our online sales, increase wholesale sales, expand our product lines and add retail stores. In order to satisfy our funding requirements we may consider issuing additional debt or equity securities. If we issue equity or convertible debt securities to raise such additional funds, our existing stockholders may experience dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we incur additional debt, it may increase our leverage relative to our earnings or to our equity capitalization, requiring us to pay additional interest expenses and potentially lower our credit ratings. We may not be able to market such issuances on favorable terms, or at all, in which case, we may not be able to develop or enhance our products, execute our business plan, take advantage of future opportunities or respond to competitive pressures.

State securities laws may limit secondary trading, which may restrict the states in which and conditions under which you can sell the shares offered by this prospectus. Secondary trading in our common stock will not be possible in any state until the common stock is qualified for sale under the applicable securities laws of the state or there is confirmation that an exemption, such as listing in certain recognized securities manuals, is available for secondary trading in the state. If we fail to register or qualify, or to obtain or verify an exemption for the secondary trading of, the common stock in any particular state, the common stock could not be offered or sold to, or purchased by, a resident of that state. In the event that a significant number of states refuse to permit secondary trading in our common stock, the liquidity for the common stock could be significantly impacted thus causing you to realize a loss on your investment.

The Registrant's board of directors designated a series of preferred stock without shareholder approval that has voting rights that adversely affect the voting power of holders of the Registrant's common stock and may have an adverse effect on its stock price. The Registrant's Certificate of Incorporation provide for the authorization of 100,000,000 shares of "blank check" preferred stock. Pursuant to our Articles of Incorporation, the Registrant's Board of Directors is authorized to issue such "blank check" preferred stock with rights that are superior to the rights of stockholders of the Registrant's common stock, including a conversion price then approved by our Board of Directors, which conversion price may be substantially lower than the market price of shares of the Registrant's common stock, without stockholder approval. In connection with the Registrant's employment agreement with its Chief Executive Officer, Brendan Macpherson, the Board of Directors authorized 1,000,000 shares of preferred stock with each share having 100 votes until Mr. Macpherson's employment agreement expires or terminates. The Registrant agreed to issue the 1,000,000 shares of preferred stock to Mr. Macpherson pursuant to his employment agreement and, upon the filing of a certificate of designation for such preferred shares and the subsequent issuance of such shares, Mr. Macpherson will have voting control of the Registrant, which has a negative effect on the voting power of the holders of the Registrant's common stock and may cause its stock price to decline.

We will incur significant costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance requirements, including establishing and maintaining internal controls over financial reporting, and we may be exposed to potential risks if we are unable to comply with these requirements. As a public company we will incur significant legal, accounting and other expenses under the Sarbanes-Oxley Act of 2002, together with rules implemented by the Securities and Exchange Commission and applicable market regulators. These rules impose various requirements on public companies, including requiring certain corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal controls for financial reporting and disclosure controls and procedures. In particular, we must perform system and process evaluations and testing of our internal controls over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Compliance with Section 404 may require that we incur substantial accounting expenses and expend significant management efforts. We have not yet evaluated the internal control systems of Banjo & Matilda in order to allow our management to report on our internal controls on a consolidated basis as required by these requirements of Section 404 of the Sarbanes-Oxley Act. Our testing may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses. In the event we identify significant deficiencies or material weaknesses in our internal controls that we cannot remediate in a timely manner, the market price of our stock could decline if investors and others lose confidence in the reliability of our financial statements and we could be subject to sanctions or investigations by the SEC or other applicable regulatory authorities.

Our management is not familiar with the United States securities laws. Our management is generally unfamiliar with the requirements of the United States securities laws, which could adversely impact our ability to comply with legal, regulatory, and reporting requirements of those laws. Our management may not be able to implement programs and policies in an effective and timely manner to adequately respond to such legal, regulatory and reporting requirements, including the establishment and maintenance of internal control over financial reporting. Any such deficiencies, weaknesses or lack of compliance could have a materially adverse effect on our ability to comply with the reporting requirements of the Exchange Act, which are necessary to maintain public company status, and could result in investigations by the Securities and Exchange Commission, and other regulatory authorities that could be costly, divert management's attention and disrupt our business, If we were to fail to fulfill those obligations, our ability to operate as a public company would be in jeopardy, in which event you could lose your entire investment in our company.

There is no established trading market for our common stock, which may have an unfavorable impact on our stock price and liquidity. There has been no established trading market for our common stock in the past and there can be no assurance that a trading market in our shares of common stock will develop and be sustained. There were no reported trades in our common stock during 2012, one trade of 45,000 shares reported in 2011 and six trades of an aggregate of 23,000 shares in 2013. The trading market for securities of companies quoted on the OTC Bulletin Board or other quotation systems is substantially less liquid than the average trading market for companies listed on a national securities exchange. The quotation of our shares on the OTC Bulletin Board or other quotation system may result in a less liquid market available for existing and potential shareholders to trade shares of our common stock, could depress the trading price of our common stock and could have a long-term adverse impact on our ability to raise capital in the future.

The market price of our common stock can become volatile, leading to the possibility of its value being depressed at a time when you may want to sell your holdings . The market price of our common stock can become volatile. Numerous factors, many of which are beyond our control, may cause the market price of our common stock to fluctuate significantly. These factors include:

- our earnings releases, actual or anticipated changes in our earnings, fluctuations in our operating results or our failure to meet the expectations of financial market analysts and investors;
- changes in financial estimates by us or by any securities analysts who might cover our stock;
- speculation about our business in the press or the investment community;
- significant developments relating to our relationships with our wholesale customers or suppliers;
- stock market price and volume fluctuations of other publicly traded companies and, in particular, those that are in our industry;
- customer demand for our products or luxury goods in general;
- investor perceptions of our industry in general and Banjo & Matilda in particular;
- the operating and stock performance of comparable companies;
- general economic conditions and trends;
- changes in accounting standards, policies, guidance, interpretation or principles;
- loss of external funding sources;
- sales of our common stock, including sales by our directors, officers or significant stockholders; and
- additions or departures of key personnel.

Securities class action litigation is often instituted against companies following periods of volatility in their stock price. Should this type of litigation be instituted against us, it could result in substantial costs to us and divert our management's attention and resources. Moreover, securities markets may from time to time experience significant price and volume fluctuations for reasons unrelated to the operating performance of particular companies. These market fluctuations may adversely affect the price of our common stock and other interests in our Company at a time when you want to sell your interest in us.

We do not intend to pay dividends for the foreseeable future. We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Our common stock is expected to be considered "a penny stock" and, as a result, it may be difficult to trade a significant number of shares of our common stock. The Securities and Exchange Commission ("SEC") has adopted regulations that generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions. Since our common stock has been eligible for quotation on the OTC markets (such as the bulletin board), the market price of our common stock has been less than $5.00 per share. We expect the market price for our common stock will remain less than $5.00 per share for the foreseeable future and, therefore, may be a "penny stock" according to SEC rules. This designation requires any broker or dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules may restrict the ability of brokers or dealers to sell our common stock and may affect the ability of investors hereunder to sell their shares. In addition, because our stock is quoted on the OTC markets, investors may find it difficult to obtain accurate quotations of the stock and may experience a lack of buyers to purchase such stock or a lack of market makers to support the stock price.

PROPERTIES

Banjo & Matilda leases a 1,076 square foot retail outlet located at 76 William Street, Paddington, New South Wales, Australia, where it also maintains its principal executive offices. Banjo & Matilda's lease for this space expires on October 14, 2014, with an option to renew the lease for an additional three year period. The fixed rent for this space is approximately $4,433 per month. Management believes that the facilities are adequate for the Company's current needs and for the foreseeable future. We occupy space at a warehouse in Alexandria, New South Wales, Australia where we store merchandise and ship our products through fulfillment services provided at such warehouse. We pay approximately $1,200 per month for such warehousing and fulfillment services. In addition, Banjo & Matilda uses a fulfillment service in Hong Kong that consolidates all of products manufactured in China. The cost of storage of our products by this fulfillment service company is included in our monthly fee.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Company background

Founded in 2008 by Sydney designer Belinda Storelli Macpherson and her husband, Brendan Macpherson, Banjo & Matilda designs, manufactures, sells and distributes premium contemporary knitwear.

Because of the brand's fresh designs, premium quality and irreverent Australian brand heritage, it has gained a loyal following among its customers, the media, celebrities and retail partners alike.

Since 2008 the Company's products have been sold through its e-commerce retail store into 16 countries and growing, its showroom and, occasionally, a physical retail store location in Sydney, Australia. In addition, products are distributed through wholesale to key retail accounts in Australia, North America, Canada, United Kingdom, the Middle East and Europe.

The brand has experienced strong and consistent year-on-year revenue growth.

Growth opportunity

The brand currently exclusively targets the premium contemporary knitwear category. Knitwear has grown to approximately 30% of all apparel sales in the Northern Hemisphere, and there are very few knitwear only brands. By focusing on this market exclusively, at least initially, there is large global sales opportunity.

Wholesale sales

The company is expanding its international wholesale program in the Northern Hemisphere, particularly the North American market. In addition to the current small but growing high profile roster of key retailers, leading wholesale sales agents have been appointed which will assist the Company grow its wholesale customer base more aggressively.

The company sees expansion of its wholesale account base of premium retail partners as an effective way to build its brand and ultimately build sales through its higher margin / value online e-commerce retail channel.

Online/ e-commerce retail

In line with the increased brand exposure gained by wholesale account expansion, it is expected the Company's online retail sales will continue to increase accordingly. Further, additional resources are being allocated to online marketing and e-commerce development to drive meaningful growth through this channel.

Product diversification

At present the Company is exclusively focused on woman's premium contemporary knitwear. Over time the company plans to develop a more rounded product offering including ready to wear knitted/cashmere and supplementary styles, men's, and eventually children's, accessories and gifts. This will expand the brands product line that will:

- Increase the floor space the Company's retail partners will commit to the brand, which in turn will increase the "buy" from each retail partner.
- Increase the brand's appeal to a wider audience, acquiring additional customers to the brand both through the Company's wholesale and retail channels.
- Increase the opportunity for existing customers to spend more with the Company.

Retail stores

Once the Company has firmly established the brand and rounded its product offering, we expect to initiate a retail store roll out program. Currently, we have a retail store at 76 William Street, Paddington, New South Wales, Australia, where we sell our products to retail customers. We also have had two pop up (i.e., temporary) retail stores and may have additional pop up retail stores in the future.

Other initiatives

Brand development

In addition to recently appointing a leading North American PR agency, the Company will deploy Publicity & Marketing programs developed in Australia into the much larger Northern Hemisphere markets.

Margin expansion

The Company will continue to focus on increasing margins by driving manufacturing savings, developing products with higher margins, and increasing sales volume through the higher margin retail online sales channel.

Financial results

The following discussion of the results of operations constitutes management's review of the factors that affected the financial and operating performance for the three and six months ended December 31, 2013 and December 30, 2012, and for the years ended June 30, 2013 compared to the year ended June 30, 2012. This discussion should be read in conjunction with the financial statements and notes thereto contained elsewhere in this report. The Company has a June 30 fiscal year end. In the discussion below, the three and six month periods ended December 31, 2013 are referred to as the 2nd Qtr 2014 and the 1st Half 2014, and comparable periods in prior fiscal years are correspondingly designated.

The accounts of Banjo & Matilda are maintained, and its consolidated financial statements are expressed, in Australian dollars. Such financial statements were translated into United States Dollars with the Australian Dollar as the functional currency to prepare the consolidated financial statements included in this Report. All assets and liabilities were translated at the exchange rate at the balance sheet date, stockholder's equity is translated at the historical rates and income statement items are translated at the average exchange rate for the period. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Any differences between the initially recorded amount and the settlement amount are recorded as a gain or loss on foreign currency transaction in the consolidated statements of operations. The resulting translation adjustments are reported under other comprehensive income as a component of shareholders' equity.

Three months ended December 31, 2013 and 2012

	Three Monthed Ended December 31, 2013	Three Monthed Ended December 31, 2012	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Revenue	$ 426,015	$ 192,060	$ 233,955	122%
Cost of sales	242,683	101,802	140,881	138%
Gross profit	183,332	90,258	93,074	103%
Payroll and employee related expenses	118,120	77,578	40,542	52%
Administration expense	30,395	32,723	(2,328)	-7%
Marketing expense	39,291	11,811	27,480	233%
Occupancy expenses	27,106	12,457	14,649	118%
Depreciation and amortization expense	3,276	2,323	953	41%
	218,188	136,892	81,296	59%
Income from operations	(34,856)	(46,634)	11,778	-25%
Other Income (Expense)				
Other income	-	(6)	6	-100%
Other expenses	(99,138)	-	(99,138)	
Finance costs	(44,755)	(34,951)	(9,804)	28%
Total Other Expense	(143,893)	(34,957)	(108,936)	312%
Net (loss) income	$ (178,749)	$ (81,591)	$ (97,158)	119%

Three Months Ended December 31, 2013

Highlights

Revenue continued to increase significantly through the three months ended December 2013 (“2nd Qtr 2014”) as new wholesale accounts were added and previously secured wholesale accounts impacted revenue and online sales increased as brand awareness grew.

Revenue:

Revenue increased 122% from $192,060 in the 2nd Qtr 2013 to $426,015 in the 2nd Qtr 2014. This increase in revenue reflects (i) a 267% period to period increase in wholesale revenues as a result of the increase in the number of our wholesale accounts and (ii) a 102% period to period increase in online sales offset in part by a reported 56% decrease in period to period retail sales. The reported decrease in our retail sales was skewed by the impact of clearance-sales that were held in the quarter ended December 31, 2012 and the quarter ended September 30, 2013. If the clearance sale had been held in the December 31, 2013 quarter, period over period Retail sales would have shown an increase of 88%.

Cost of Goods Sold, Gross Profit & Gross Margin:

Gross Profit increased 103% to $183,332 for the 2nd Qtr 2014 from $90,258 the same period in fiscal 2013. The increase in gross profit primarily reflects the increase in revenues.

Gross Margins declined to 43% for the 2nd Qtr 2014 compared to 46% for the same period in fiscal 2013. Before accounting for the impact of changes in currency exchange rates, our (i) wholesale margins increased to 35% for the 2nd Qtr 2014 compared to 23% or the same period in fiscal 2013, (ii) online margins declined from 69% for the 2nd Qtr 2013 to 53% for the 2nd Qtr 2014 as a result of an increase in clearance sales (and resultant lower average retail prices) compared to the same period in fiscal 2013; and (iii) retail margins declined from 68% to 57% for the 2nd Qtr 2014 compared to the same period in fiscal 2013.

Cost of Goods Sold (Cost of Sales) as a percentage of revenues increased slightly to approximately 57% for the 2nd Qtr 2014 compared to 53% for the comparable period in fiscal 2013. While input prices of raw materials such as cashmere yarn increased as a result of a sharply increased demand for the yarn, the increase in our volume of purchases from factories enabled us to lower manufacturing costs on a per unit basis to offset higher input costs.

Overhead Expenses:

Overhead expenses consisting of payroll, administrative, marketing, occupancy and depreciation decreased from 71% of revenue in the 2nd Qtr 2013 to 51% for the 2nd Qtr 2014. This decrease reflects the fact that the rate of increase in overhead expenses was less than the rate of increase in revenues discussed above.

Other Expenses:

Other Expenses of $99,138 for the 2nd Qtr 2014 primarily relate to expenses associated with completing the Share Exchange.

Funding costs:

Period to period funding costs were reduced from 18.2% to 10.5% of sales as equity was raised allowing us to decrease our reliance on trade financing. We continue to seek lower cost funding options to improve our profitability.

Six Months Ended December 31, 2013

Selected Financial Information

	Six Monthed Ended		**Dollar**	**Percentage**
	December 31, 2013	**December 31, 2012**	**Increase (Decrease)**	**Increase (Decrease)**
Revenue	$ 955,229	$ 792,479	$ 162,750	21%
Cost of sales	584,976	470,093	114,883	24%
Gross profit	370,253	322,386	47,867	15%
Payroll and employee related expenses	200,357	124,467	75,890	61%
Administration expense	63,047	62,046	1,001	2%
Marketing expense	60,231	24,412	35,819	147%
Occupancy expenses	36,590	24,926	11,664	47%
Depreciation and amortization expense	6,507	4,649	1,858	40%
	366,732	240,500	126,232	52%
Income from operations	3,521	81,886	(78,365)	-96%
Other Income (Expense)				
Other income	-	13,735	(13,735)	-100%
Other expenses	(99,138)	-	(99,138)	
Finance costs	(96,289)	(74,109)	(22,180)	30%
Total Other Expense	(195,427)	(60,374)	(135,053)	224%
Net (loss) income	$ (191,906)	$ 21,512	$ (213,418)	-992%

Highlights

Revenue continued to increase through the six months ended December 2013 (“1st Half 2014”) as new wholesale accounts were added and online sales increased as brand awareness grew. For the six-month period we incurred a net loss of $186,448. The net loss can be attributed, in part, to $99,138 of expenses mainly associated with the negotiation and consummation of the Exchange Agreement whereby we acquired Banjo & Matilda, the Australian entity, and $96,289 related to financing costs from expensive trade finance and general facilities. As our revenues grow and lower cost funding is secured we expect funding costs as a percentage of revenue to decrease.

The Company raised $458,083 in equity during the 1st Half 2014 providing a positive endorsement for the business model and opportunity. These funds improved our balance sheet and provided capital to fund inventory supporting increased retail and online sales, as well as funding new orders from wholesale customers.

Revenue:

Revenue increased 21% from $792,479 in the 1st Half 2013 to $955,229 in the 1st Half 2014. Before accounting for the impact of changes in currency exchange rates resulting from the decrease in value of the AUD, revenues period over period increased 36% on an AUD basis. This increase in revenue reflects (i) a 21% period to period increase in wholesale revenues as a result of the increase in the number of our wholesale accounts, (ii) a 102% period to period increase in online sales and (iii) a 65% decrease in period to period retail sales.

Cost of Goods sold, Gross Profit & Gross Margin:

Gross Profit increased 15% to $370,253 for the 1st Half 2014 compared to $322,386 for the same period in fiscal 2013. Before adjusting for the decrease in the AUD exchange rate, gross profit increased 29% on an AUD basis. The increase in gross profit primarily reflects the increase in our revenues slightly offset by a decrease in gross margin.

Gross Margins declined to 39% for 1st Half 2014 from 41% for the comparable prior year period. Before accounting for the impact of changes in currency exchange rates (i) wholesale margins increased to 36% for the 1st Half 2014 compared to 30% or the same period in fiscal 2013, (ii) online margins declined from 67% for the 1st Half 2013 to 48% for the 1st Half 2014 as a result of an increase in clearance sales compared to full price sales compared to the same period in fiscal 2013; and (iii) retail margins declined from 66% to 41% for the 1st Half 2014 compared to the same period in fiscal 2013 mainly as a result of higher clearance sale activity resulting in lower average retail prices.

Cost of Goods Sold (Cost of Sales) remained steady through the period. While input prices of raw materials such as cashmere yarn increased as a result of a sharply increased demand for the yarn, volume of purchases increased from factories which helped lower per unit manufacturing costs to offset higher input costs.

Overhead Expenses:

Overhead expenses increased to 38% of revenue in the 1st Half 2014 from 30% for the 1st Half 2013 as we added personnel to scale up operations.

Other Expenses:

Other Expenses of $99,138 for the 1st Half 2014 primarily relate to expenses associated with completing the Share Exchange.

Funding costs:

Period to period funding costs increased slightly to 10% from 9% of sales as we increased our reliance on trade financing in connection with the growth in our sales. We continue to seek lower cost funding options to improve profitability.

Results for the year ended June 30, 2013 versus the year ended June 30, 2012.

Below are the historical financial results of the fiscal year ended June 30, 2013 as compared to 2012:

	June 30, 2013	June 30, 2012	Increase (Decrease)
Revenue	$ 1,724,181	$ 950,812	$ 773,369
Cost of sales	977,086	677,002	300,084
Gross profit	747,095	273,810	473,285
Payroll and employee related expenses	240,450	131,896	108,554
Administration expense	195,422	165,286	30,136
Marketing expense	88,826	144,303	(55,477)
Occupancy expense	47,518	36,321	11,197
Depreciation and amortization expense	8,821	6,018	2,803
Total expense	581,037	483,824	97,213
Income (loss) from operations	166,058	(210,014)	376,072
Other (Income) expense			
Interest income	(1)	(1)	–
Other income	(52,585)	(59)	52,526
Finance costs	196,892	56,348	140,544
Total other expense	144,306	56,288	88,018
Income (loss) before income tax	$ 21,752	$ (266,302)	$ 288,054

- Revenue for the year ended June 30 2013 increased to $1,724,181 from $950,812 in 2012, an 81% improvement. This increase was due to retail sales improving by 25% ($112,000), and wholesale sales improving by 311% ($825,000). The increase in wholesale sales came from several additional new key customer wholesale accounts.

- Cost of sales improved to 57% in 2013, from 71% in 2012. The improvement in cost of sales was primarily due to higher online sales demand which resulted in fewer mark downs generating higher product sell through; and to a lessor extent, higher wholesale margins driven by an improvement in pricing and merchandising.

- Gross Margins improved 33% to 43% in 2013, from 29% in 2012. Gross profit increased by 173% to $747,095 for 2013, from a gross profit of $273,810 in 2012. This increase was a result of an increase in gross sales and an improvement in cost of sales as described above.

- Selling, general and administrative expenses improved 33%, to 34% of sales ($581,037) in 2013, from 51% of sales ($483,824) in 2012. Almost all categories of general and administrative expenses increased as a result of supporting the 81% increase in sales for the year ended June 30, 2013. Additional staff was hired and additional costs were incurred to support the increase in revenue. Marketing expense for the period decreased as the Company became eligible for an Australian Export grant from the government based on expenses directly related to marketing abroad. This grant reimbursed us on actual expenses incurred.

- Finance costs as a percent of sales increased to 11% of sales ($196,892) in 2013, from 5.9% ($56,348) in 2012. This increase was due to utilizing accounts receivable finance facilities to accommodate higher sales. In addition the Company issued a convertible note at an interest rate of 30% per annum. Subsequent to June 30, 2013 the convertible note holder converted the debt to equity. The Company has also begun to secure less expensive financing facilities which will significantly decrease funding costs as a percent of sales in the coming periods.

- Net income improved by $288,054 to $21,752 in 2013, from a loss of $266,302 in 2012. This increase was primarily a result of an increase in sales, decrease in cost of sales as a percentage of sales, and ability to control the increase in overhead expenses during the period.

Liquidity and Capital Resources

We are highly leveraged and will continue to borrow to acquire inventory and fund sales. Our ability to expand our sales is limited by the amount we can borrow to acquire supplies and contract for the manufacture of our products. The Company has been able to obtain the funds necessary to increase its sales each year through both capital contributions and loans from its principal shareholders and third parties. The Company anticipates that it will continue to be able to access funds to grow its business. There can be no assurance, however, that the terms on which such funds will be made available will be favorable to the Company or its shareholders. The sale of any equity securities or instruments convertible into equity of the Company will dilute the interests of its current shareholders. The rates at which we can acquire funds will directly impact our ability to operate profitably and generate positive cash flow. In addition to relying upon debt, we will seek to raise equity to support our efforts to grow. There is no assurance that debt or equity financing will be available to us on acceptable terms, if at all, and, in all events, the sale of equity or instruments convertible into equity will dilute the interests of our current shareholders.

During the 1st Half 2014 we raised $458,083 through sales of our equity. These funds improved our balance sheet and provided capital to fund higher inventory supporting retail and online sales, as well as funding new orders from wholesale customers.

The Company has entered into trade financing arrangements with commerical finance companies in Australia and New York. The agreement with the Australian lender has a limit of AUD $650,000 at an interest rate of 20.95% per annum. The agreement with the New York lender has a limit of 65% of outstanding receivables and an interest rate of one fortieth of one percent per day. As of December 31, 2013, the amount outstanding under these facilities was $137,553 and $79,667, respectively.

On July 1, 2013, Banjo & Matilda entered into a Loan Facility Agreement pursuant to which Harboursafe Holdings made a loan of approximately $963,000 to Banjo & Matilda. The loan bears interest at 3% per annum and interest accrues daily. The loan is due on June 30, 2014. The loan is convertible into shares of Banjo & Matilda at any time prior to the due date. Interest on the loan is paid on the earlier of the (x) conversion of the loan into shares of Banjo & Matilda and (y) the due date of the loan. Harboursafe may require prepayment of $100,000 of the loan upon 60 days prior notice to Banjo & Matilda. To secure the loan, Banjo & Matilda granted Harboursafe Holdings a security interest in the intellectual property acquired by Banjo & Matilda under the Intellectual Property Sale Agreement pursuant to which Banjo & Matilda acquired numerous clothing designs from Harboursafe Holdings. Harboursafe Holdings is an Australian corporation controlled by our Chief Executive Officer, Brendan Macpherson.

On November 3, 2013, Raymond Key, who owns 19% of the Registrant's common stock, made an unsecured loan of AU$100,000 to Banjo & Matilda which bore interest at the rate of 15% per annum (or 0.041% per day). The loan was due on or before December 4, 2013 was guaranteed by Brendan Macpherson, the Chief Executive Officer of Banjo & Matilda. On January 12, 2014, the Company issued to Raymond Key its Secured Convertible Note in the principal amount of $250,000 (the "Convertible Note") in consideration of the rollover of the November 13, 2013, Note and an additional $150,000. The Convertible Note bears interest at the rate of 9% per annum and is due on the first anniversary of the date of issuance, January 12, 2015. All or any portion of the principal amount of the Convertible Note and all accrued interest is convertible at the option of the holder into common stock of the Company at a conversion price of thirty cents ($0.30) per share, provided that if the Volume Weighted Average Price (VWAP) for the 30 days immediately preceding the receipt of a conversion notice is less than sixty cents ($.60) per share, the conversion price shall be reduced to twenty cents ($.20) per share.

The Company's obligation under the Convertible Note is secured by a lien on substantially all of its assets, including its inventory, receivables, trademarks and trade names. Further, the Company may not enter into any loan to be repaid prior to the due date of the Convertible Note or having a priority senior to the Convertible Note.

	SIX MONTHS ENDED December 31	
	2013	**2012**
Net cash (used in) operating activities	(695,599)	(118,819)
Net cash (used in) investing activities	(9,485)	(15,002)
Net cash provided by financing activities	723,211	145,667

Cash (Used in) Operating Activities

During the six months ended December 31, 2013, we used approximately $695,599 of net cash in our operating activities. This reflects our net loss from continuing operations of $191,906 and the use of cash to increase our trade receivables and inventory which grew by $210,669 and $275,783, respectively, from June 30, 2013 to December 31, 2014.

During the six months ended December 31, 2012, we used approximately $118,819 of net cash in our operating activities. This reflects our net income from continuing operations of $21,512 offset by increases in our inventory and trade receivables of $50,781 and $27,315, respectively, and decreases in our trade payables of $36,478 and a decrease in our deposit payable of $62,515.

Cash (Used) in Investing Activities

During the six months ended December 31, 2013, net cash used in investing activities of $9,485 primarily reflects $5,160 in capitalized costs incurred and purchases of fixed assets for $4,325.

During the six months ended December 31, 2012, net cash used in investing activities of $15,002 reflects the purchase of fixed assets.

Cash Provided by Financing Activities

During the six months ended December 31, 2013, net cash provided by financing activities of $723,211 primarily reflects proceeds from issuance of common stock for $120,000, increases in loans of $472,444 and an increase in trade financing of $130,767.

During the six months ended December 31, 2012, net cash provided by financing activities of $145,667 primarily reflects increase in loan for $111,884 and increase in trade financing for $33,783.

Commitments for Capital Expenditures

We do not have substantial commitments for capital expenditures. All of our products are manufactured by third parties, enabling us to scale up operations without acquiring substantial production equipment. Although we will need to increase our design capabilities and augment our sales and administrative staff as we grow, the rate of growth of these expenses should be less than the rate of growth of our revenue. Further, we anticipate that as we expand our sales, the interest rates, fees and other expenses we pay to obtain credit, should be lower than those we incur presently. Of course, any substantial growth in our revenues will require additional equity which, if available, will dilute the interests of our current shareholders. We do anticipate a slight increase in the rate of growth of our operating expenses this year due to, among other factors, the fact that our historical financial statements do not include the expenses associated with being a public company.

Off Balance Sheet Items

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as “special purpose entities” (SPEs).

Critical Accounting Policies

Use of Estimates

The preparation of financial statements 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 revenues and expenses during the period covered by the financial statements. Actual results could differ from estimates. Significant estimates include collectability of accounts receivable, valuation of inventory, sales returns and recoverability of long-term assets.

Revenue Recognition

Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. Revenue generally is recognized net of allowances for returns and any taxes collected from customers to be remitted to governmental authorities.

Cost of Sales

Cost of sales consists primarily of inventory, as well as warehousing (including the cost of warehouse labor), shipping, importation duties and charges, third party royalties, and product samples.

Inventory

Inventories are valued at the lower of cost (determined on a weighted average basis) or market. Management compares the cost of inventories with the market value and allowance is made to write down inventories to market value, if lower.

Allowance for Doubtful Accounts

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves.

Exchange Gain (Loss)

To date, the Company's transactions were denominated in foreign currency and were recorded in Australian dollars (AUD) at the rates of exchange in effect when the transactions occurred. Exchange gains and losses are recognized for the different foreign exchange rates applied when the foreign currency assets and liabilities are settled.

Foreign Currency Translation and Comprehensive Income (Loss)

The accounts of the Company were maintained, and its financial statements were expressed, in AUD. Such financial statements were translated into USD with the AUD as the functional currency. All assets and liabilities were translated at the exchange rate at the balance sheet date, stockholder's equity is translated at the historical rates and income statement items are translated at the average exchange rate for the period. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Any differences between the initially recorded amount and the settlement amount are recorded as a gain or loss on foreign currency transaction in the statements of operations. The resulting translation adjustments are reported under other comprehensive income as a component of shareholders' equity.

DIRECTORS AND EXECUTIVE OFFICERS

Directors and Executive Officers

As a condition to the consummation of the Share Exchange Agreement between the Registrant and Banjo & Matilda, Jared Robinson and Neil Kleinman each resigned as an officer and director of the Registrant. Concurrent with the consummation of the Share Exchange Agreement, the Board appointed Brendan Macpherson and Belinda Storelli Macpherson, the co-founders of Banjo & Matilda, to serve on the Board of Directors of the Registrant effective immediately after the closing. In addition to serving on the Board of Directors, Brendan Macpherson has been elected as Chief Executive Officer and Secretary of the Registrant and Belinda Storelli Macpherson has been elected Chief Creative Officer of the Registrant. Additionally, the Board elected Robert Dardano as the Interim Chief Financial Officer of the Registrant.

The following sets forth information about our directors and executive officers:

Name	Age	Position
Brendan Macpherson	43	Chief Executive Officer, Secretary and Director
Belinda Storelli Macpherson	39	Chief Creative Officer and Director
Robert Dardano	42	Interim Chief Financial Officer

Brendan Patrick Gow Macpherson is a co-founder of Banjo & Matilda. Mr. Macpherson has served as Chief Executive Officer of Banjo & Matilda since January 2013 and he was the Executive Director from May 2009 to October 2009. From April 2009 until June 2013, he was the Chief Marketing Officer for P ie Face Pty Ltd. which operates bakery and café stores in Australia. It offers pies and coffees. From June 2002 until January 2009, he was Chief Executive Officer of Brightstars Education, the largest educator of performing arts in Australia.

Belinda Storelli Macpherson is a co-founder of Banjo & Matilda. Ms. Macpherson has been the managing director of Banjo & Matilda since May 2009 and she began Banjo & Matilda in May 2008. Prior to founding Banjo & Matilda, Ms. Macpherson worked in public relations and marketing in the film industry, including management roles with international movie studios such as Universal Pictures, Dreamworks SKG, and later Warner Bros followed. Ms. Macpherson opened her own boutique PR company called 'Global Artist'.

Robert Dardano joined Banjo & Matilda in June 2012 as an external Chief Financial Officer. Since July 2008 he has served as the Financial Controller of Pie Face Holdings Pty Ltd, which operates bakery and café stores in Australia. At Pie Face Holdings, Mr. Dardano oversaw accounting functions, financial reporting and he provides strategic financial assistance to the directors as needed. From 1997 to June 2008, Mr. Dardano served in various financial controller and accounting positions for various companies such as Scott Corporation and Essilor Pty. Mr. Dardano received a Bachelor of Commerce from the University of Sydney in 1997.

There are no family relationships of any kind among our directors or executive officers, except that Mr. Macpherson, the Chief Executive Officer and Secretary of the Registrant, is the husband of Ms. Macpherson, the Chief Creative Officer of the Registrant.

Involvement in Certain Legal Proceedings

To the knowledge of the Registrant, none of the directors, executive officers, or persons nominated or chosen by us to become directors has been personally involved in any legal proceedings as defined in Section 401 of Regulation S-K in the past ten years.

EXECUTIVE COMPENSATION

The Registrant did not pay and cash or other compensation to its executive officers for the years ended June 30, 2013 and June 30, 2012.

The following summary compensation table set forth information concerning the annual and long-term compensation for services in all capacities to Banjo & Matilda for the fiscal years ended June 30, 2013 and June 30, 2012 of those persons who were, at June 30, 2013, (i) the chief executive officer, (ii) the chief financial officer, (iii) managing director and (ii) the other most highly compensated executive officers of Banjo & Matilda, whose total compensation was in excess of $100,000 (the “named executive officers”):

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total
Brendan Macpherson Chief Executive Officer	2013 2012	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0
Belinda Storelli Macpherson, Managing Director	2013 2012	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0
Robert Dardano Interim Chief Financial Officer	2013 2012	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0	$0 $0

Compensation of Directors

The Registrant did not pay and cash or other compensation to its directors for the years ended June 30, 2013 and June 30, 2012.

Outstanding Equity Awards at Fiscal Year End

For the year ended June 30, 2013, no director or executive officer has received compensation from the Registrant pursuant to any compensatory or benefit plan. There is no plan or understanding, express or implied, to pay any compensation to any director or executive officer pursuant to any compensatory or benefit plan, although we anticipate that we will compensate our officers and directors for services to us with stock or options to purchase stock, in lieu of cash.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

On February 26, 2013, Harboursafe Holdings, an Australian corporation controlled by Brendan Macpherson, our Chief Executive Officer, entered into an Intellectual Property Sale Agreement with Banjo & Matilda pursuant to which Harboursafe Holdings sold to Banjo & Matilda numerous clothing designs for a purchase price of approximately $663,000.

On July 1, 2013, Banjo & Matilda entered into a Loan Facility Agreement pursuant to which Harboursafe Holdings made a loan of approximately $963,000 to Banjo & Matilda. The loan bears interest at 3% per annum and interest accrues daily. The loan is due on June 30, 2014. The loan is convertible into shares of Banjo & Matilda at any time prior to the due date. Interest on the loan is paid on the earlier of the (x) conversion of the loan into shares of Banjo & Matilda and (y) the due date of the loan. Harboursafe may require prepayment of $100,000 of the loan upon 60 days prior notice to Banjo & Matilda. To secure the loan, Banjo & Matilda granted Harboursafe Holdings a security interest in the intellectual property acquired by Banjo & Matilda under the Intellectual Property Sale Agreement (as discussed above).

On November 3, 2013, Raymond Key, who owns 18.5% of the Registrant’s common stock, made an unsecured loan of AU$100,000 to Banjo & Matilda which bore interest at the rate of 15% per annum (or 0.041% per day). The loan was due on or before December 4, 2013 was guaranteed by Brendan Macpherson, the Chief Executive Officer of Banjo & Matilda. On January 12, 2014, the Company issued to Raymond Key its Secured Convertible Note in the principal amount of $250,000 (the “Convertible Note”) in consideration of the rollover of the November 13, 2013, Note and an additional $150,000. The Convertible Note bears interest at the rate of 9% per annum and is due on the first anniversary of the date of issuance, January 12, 2015. All or any portion of the principal amount of the Convertible Note and all accrued interest is convertible at the option of the holder into common stock of the Company at a conversion price of thirty cents ($0.30) per share, provided that if the Volume Weighted Average Price (VWAP) for the 30 days immediately preceding the receipt of a conversion notice is less than sixty cents ($.60) per share, the conversion price shall be reduced to twenty cents ($.20) per share.

The Company’s obligation under the Convertible Note is secured by a lien on substantially all of its assets, including its inventory, receivables, trademarks and trade names. Further, the Company may not enter into any loan to be repaid prior to the due date of the Convertible Note or having a priority senior to the Convertible Note.

Insider Transactions Policies and Procedures

The Registrant has an insider transaction policy which is filed as Exhibit 14.3 to the Current Report on Form 8-K filed on April 2, 2012.

Code of Ethics

The Registrant has adopted a corporate code of ethics. The Registrant believes its code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code. A copy of the code of ethics is filed as Exhibit 14.1 to our Form 10-K filed with the Securities and Exchange Commission on February 15, 2011.

Director Independence

We are not currently a "listed company" under SEC rules and are therefore not required to have a Board comprised of a majority of independent directors or separate committees comprised of independent directors. We currently do not have any independent directors as the term "independent" is defined by the rules of the Nasdaq Stock Market.

Board Committees

Audit Committee and Charter

We do not have a separately-designated audit committee of the board. Audit committee functions are performed by our board of directors. None of our directors are deemed independent. All directors also hold positions as our officers. Our audit committee is responsible for: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; (3) establishing procedures for the confidential, anonymous submission by our employees of concerns regarding accounting and auditing matters; (4) engaging outside advisors; and, (5) funding for the outside auditory and any outside advisors engagement by the audit committee. A copy of the audit committee charter was filed as Exhibit 99.2 to the Registrant's annual report on Form 10-K filed on February 15, 2011.

We have a disclosure committee and disclosure committee charter. Our disclosure committee is comprised of all of our officers and directors. The purpose of the committee is to provide assistance to the Chief Executive Officer and the Chief Financial Officer in fulfilling their responsibilities regarding the identification and disclosure of material information about us and the accuracy, completeness and timeliness of our financial reports. A copy of the disclosure committee charter was filed as Exhibit 99.3 to the Registrant's annual report on Form 10-K filed on February 15, 2011.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information concerning the beneficial ownership of our common stock as of February 14, 2014, after giving effect to the closing under the Exchange Agreement by (i) any person or group with more than 5% of any class of voting securities, (ii) each director, (iii) our chief executive officer and each other executive officer whose cash compensation for the most recent fiscal year exceeded $100,000 and (iv) all such executive officers and directors as a group. Except as indicated in the footnotes to the table below, the address of each of the beneficial owners named in the table below is in care of Banjo & Matilda, 75 William Street, Paddington, New South Wales, Australia 2021. Except as indicated in the footnotes to this table and subject to applicable community property laws, the persons named in the table to our knowledge have sole voting and investment power with respect to all shares of securities shown as beneficially owned by them. The information in this table is as of February 14, 2014 and is based on 27,036,484 shares of common stock outstanding as of such date.

Name and Address	Shares Owned	Percent of Class
Brendan Macpherson	12,332,561[(1)]	45.6%
Belinda Storelli Macpherson	12,332,561[(2)]	45.6%
Robert Dardano	--	--
Raymond Key 396 Ladies Mile Lane Lake Hayes, Queenstown New Zealand 9304	5,014,852(3)	18.5%
Rezeruace Investments Ltd. Loyalist Plaza Don Mackey Blvd. Marsh Harbor Abaco, Bahamas	2,000,000[(4)]	7.6%
All Directors & Officers as a Group (3 persons)	12,332,561	46.6%

(1) Shares are held by Jibon Trust of which Brendan Macpherson is the trustee.

(2) Consists of shares held by Jibon Trust of which Brendan Macpherson, Ms. Macpherson's husband, is the trustee.

(3) Gives no effect to shares issuable upon conversion of the Convertible Note acquired by Mr. Key in January 2014.

(4) Lawrence Collie is the director of Rezeruace Investments Ltd. and has voting and dispositive control over the shares held by Rezeruace Investments.

Changes in Control

At the closing under the Share Exchange Agreement on November 14, 2013, the Registrant acquired all of the issued and outstanding shares of common stock of Banjo & Matilda in exchange for 18,505,539 shares of the Registrant's common stock. Prior to the closing of the share exchange transaction, and pursuant to a letter of intent entered into between Banjo & Matilda and the Registrant on July 12, 2013, the Registrant declared and paid a stock dividend of four shares of common stock for every one share of common stock owned by stockholders of record at the close of business on October 3, 2013. As a result of the stock dividend the number of shares of the Registrant issued and outstanding shares increased from 11,500,000 shares to 57,500,000 shares. However, in October 2013 our then majority shareholder, Bradley Miller, entered into a Stock Purchase Agreement with Karolus Maximus Kapital, LLC ("Karolus"), pursuant to which Karolus agreed to purchase from Mr. Miller his 49,569,055 shares of the Registrant's common stock (the "Miller Shares") for $75,000 and the transfer from an affiliate of Karolus of 400,000 shares of the Registrant's common stock to Nicole Stacy. Mr. Miller agreed that in lieu of transferring the Miller Shares to Karolus he would instead contribute them to the capital of the Registrant prior to the closing of the share exchange. As a result, after the closing of the share exchange the Registrant now has 26,436,484 shares issued and outstanding of which 70%, or 18,505,539 shares, will be owned by the shareholders of Banjo & Matilda.

On November 14, 2013, the date of the closing of the share exchange transaction, the Registrant's directors, Jared Robinson and Neil Kleinman, resigned from the Board and immediately prior to such resignation they appointed Brendan Macpherson and Belinda Storelli Macpherson, both officers of Banjo & Matilda, to fill the vacancies from the resignations. In addition, at the Share Exchange Closing, Mr. Robinson resigned as our Chief Executive Officer and Mr. Kleinman resigned as our Secretary and the Board appointed Mr. Brendan Macpherson as our Chief Executive Officer and Secretary, Ms. Belinda Storelli Macpherson as our Chief Creative Officer and Robert Dardano as our Interim Chief Financial Officer. For information concerning our new directors and executive officers, see Item 2.01 – "Directors and Executive Officers."

On November 15, 2013, pursuant to an employment agreement between the Registrant and its Chief Executive Officer, Brendan Macpherson, the Board of Directors authorized 1,000,000 shares of preferred stock with each share having 100 votes which voting power continues until Mr. Macpherson's employment agreement expires or terminates. Upon the filing of a certificate of designation for such preferred shares and the subsequent issuance of such shares, Mr. Macpherson will have voting control of the Registrant.

DESCRIPTION OF SECURITIES

Common Stock

Our authorized capital stock consists of 100,000,000 shares of common stock, par value $0.00001 per share. The holders of our common stock:

- have equal ratable rights to dividends;
- are entitled to share ratably in all of our assets available for distribution to holders of common stock upon liquidation, dissolution or winding up of our affairs;
- do not have preemptive, subscription or conversion rights and there are no redemption or sinking fund provisions or rights; and,
- are entitled to one non-cumulative vote per share on all matters on which stockholders may vote.

We refer you to the Registrant's Articles of Incorporation, Bylaws and the applicable statutes of the State of Nevada for a more complete description of the rights and liabilities of holders of the Registrant's securities.

Non-cumulative voting

Holders of shares of the Registrant's common stock do not have cumulative voting rights, which means that the holders of more than 50% of the outstanding shares, voting for the election of directors, can elect all of the directors to be elected, if they so choose, and, in that event, the holders of the remaining shares will not be able to elect any of our directors. As a result of the issuance of shares under the Share Exchange Agreement, Brendan Macpherson, our Chief Executive Officer and a director, and Raymond Key each own 12,332,561shares and 5,014,582 shares, respectively, and together they own approximately 64.1% of the outstanding shares of our common stock. As a result, Messrs. Macpherson and Key have the ability to control the policies and management of the Registrant, as well as determine matters requiring stockholder approval, including decisions regarding mergers, consolidations, the sale of all or substantially all of our assets, election of directors and other significant corporate actions.

Cash dividends

We have not paid any cash dividends to stockholders. The declaration of any future cash dividend will be at the discretion of the Company's board of directors and will depend upon its earnings, if any, its capital requirements and financial position, its general economic conditions, and other pertinent conditions. It is the Company's present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in its business operations.

Preferred Stock

We are authorized to issue 100,000,000 shares of preferred stock with a par value of $0.00001 per share. The terms of the preferred shares are at the discretion of the board of directors. Currently the only preferred shares issued and outstanding are those issued to Mr. Macpherson pursuant to his employment agreement.

In connection with the employment agreement with Brendan Macpherson, the Board of Directors of the Registrant will be designate 1,000,000 shares as a "Control Series" of Preferred Stock" (or such other name as the Board may adopt). All of the shares of the "Control Series" of Preferred Stock" will be issued to Mr. Macpherson as a signing bonus under his employment agreement. The holders of the Control Series of Preferred Stock will (a) vote on all other matters to come before the stockholders with the holders of the Common Stock as a single class, (b) have one hundred (100) votes per share, and (c) not have preemptive rights. Upon the expiration or termination of Mr. Macpherson's employment agreement, the Control Series will automatically be cancelled and will be returned to the authorized but unissued preferred stock. The Control Series of Preferred Stock will not be entitled to receive any dividends or any payments upon a event of a liquidation, dissolution, or winding up of the Registrant.

Anti-takeover provisions

There are no Nevada anti-takeover provisions that may have the effect of delaying or preventing a change in control.

MARKET PRICE AND DIVIDENDS ON OUR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Registrant's stock is eligible for quotation on the OTC Market under the symbol "BANJ", and prior to November 14, 2013 the stock was quoted under the symbol "ESRN."

The following table reflects the (i) high and low quarterly bid prices for the calendar years ended December 31, 2011 and December 31, 2012 and (ii) high and low quarterly sales prices for the first three quarters of calendar year 2013. The Company has a June 30 fiscal year end. This information was provided to us by the Financial Industry Regulatory Authority and the Internet. These quotations reflect inter-dealer prices, without retail mark-up or mark-down or commissions. These quotations may not necessarily reflect actual transactions.

Calendar Year 2013	**High Sale**	**Low Sale**
First Quarter 2013	$ 1.20	$ 0.40
Second Quarter 2013	$ 1.10	$ 0.52
Third Quarter 2013	$ 1.00	$ 0.51
Fourth Quarter 2013	$ 0.75	$ 0.25

Calendar Year 2012	**High Bid**	**Low Bid**
First Quarter 2012	$ 0.30	$ 0.30
Second Quarter 2012	$ 0.30	$ 0.30
Third Quarter 2012	$ 0.30	$ 0.30
Fourth Quarter 2012	$ 0.30	$ 0.30

Calendar Year 2011	**High Bid**	**Low Bid**
First Quarter 2011	–	–
Second Quarter 2011	$ 0.25	$ 0.03
Third Quarter 2011	$ 0.12	$ 0.12
Fourth Quarter 2011	$ 0.12	$ 0.12

Our Transfer Agent

We have appointed Olde Monmouth Stock Transfer Company, with offices at 200 Memorial Parkway, Atlantic Highlands, New Jersey 07716, phone number 732-872-2727, as transfer agent for our shares of common stock. The transfer agent is responsible for all record-keeping and administrative functions in connection with our shares of common stock.

Holders

There are approximately 125 holders of record for the Registrant’s common stock. There are a total of 27,036,484 shares of common stock outstanding of which 12,332,561 are issued to a trust controlled by Brendan Macpherson, our Chief Executive Officer and director.

Dividends

We have not declared any cash dividends, nor do we intend to do so. We are not subject to any legal restrictions respecting the payment of dividends, except that they may not be paid to render us insolvent. Dividend policy will be based on our cash resources and needs and it is anticipated that all available cash will be needed for our operations in the foreseeable future.

Penny Stock Regulations

The SEC has adopted regulations which generally define so-called “penny stocks” to be an equity security that has a market price less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exemptions. The Registrant’s common stock is a “penny stock” and is subject to Rule 15g-9 under the Exchange Act, or the Penny Stock Rule. This rule imposes additional sales practice requirements on broker-dealers that sell such securities to persons other than established customers and “accredited investors” (generally, individuals with a net worth in excess of $1,000,000 or annual incomes exceeding $200,000, or $300,000 together with their spouses). For transactions covered by Rule 15g-9, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale. As a result, this rule may affect the ability of broker-dealers to sell our securities and may affect the ability of purchasers to sell any of our securities in the secondary market, thus possibly making it more difficult for us to raise additional capital.

For any transaction involving a penny stock, unless exempt, the rules require delivery, prior to any transaction in penny stock, of a disclosure schedule required by the SEC relating to the penny stock market. Disclosure is also required to be made about sales commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements are required to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stock.

There can be no assurance that the Registrant’s common stock will qualify for exemption from the Penny Stock Rule. Even if the Registrant’s common stock were exempt from the Penny Stock Rule, the Registrant would remain subject to Section 15(b)(6) of the Exchange Act, which gives the SEC the authority to restrict any person from participating in a distribution of penny stock, if the SEC finds that such a restriction would be in the public interest.

Rule 144

Prior to completion of the closing under the Share Exchange Agreement, the Registrant was considered a shell company. As a result, the Registrant is subject to the provisions of Rule 144(i) which limit reliance on Rule 144 by shareholders owning stock in a shell company (or a former shell company). Under current interpretations, unregistered shares issued after the Registrant first became a shell company cannot be resold under Rule 144 until the following conditions were met:

- The registrant ceases to be a shell company;
- The Registrant remains subject to the Exchange Act reporting obligations;
- The Registrant files all required Exchange Act reports during the preceding 12 months; and
- At least one year has elapsed from the time the Registrant files “Form 10 information” reflecting the fact that the Registrant ceased to be a shell company.

Consequently, until the first anniversary of the filing of this Current Report on Form 8-K, holders of the Registrant’s common stock cannot rely on Rule 144 to sell restricted shares of common stock.

Securities Authorized for Issuance under Equity Compensation Plans

The Registrant does not have any equity compensation plans and accordingly there are no shares authorized for issuance under an equity compensation plan.

RECENT SALES OF UNREGISTERED SECURITIES

On November 14, 2013, the Registrant issued an aggregate of 18,505,539 shares of the Registrant's common stock to the shareholders of Banjo & Matilda in connection with the closing under the Share Exchange Agreement in exchange for all of the outstanding shares of common stock of Banjo Matilda.

On November 15, 2013, pursuant to his Employment Agreement, the Registrant agreed to issue to Mr. Macpherson 1,000,000 shares of the Registrant's common stock and 1,000,000 shares of preferred stock. Although Mr. Macpherson has received the preferred stock, he and the Company have deferred delivery of the shares of common stock pending a determination as to whether that is an appropriate and tax efficient way to compensate Mr. Macpherson.

On November 15, 2013, pursuant to her Employment Agreement, the Registrant agreed to issue to Belinda Macpherson 400,000 shares of the Registrant's common stock. . Ms. Macpherson and the Company have deferred delivery of the shares of common stock pending a determination as to whether that is an appropriate and tax efficient way to compensate Ms. Storelli.

On November 3, 2013, Raymond Key, who owns 18.5% of the Registrant's common stock, made an unsecured loan of AU$100,000 to Banjo & Matilda which bore interest at the rate of 15% per annum (or 0.041% per day). The loan was due on or before December 4, 2013 was guaranteed by Brendan Macpherson, the Chief Executive Officer of Banjo & Matilda. On January 12, 2014, the Company issued to Raymond Key its Secured Convertible Note in the principal amount of $250,000 (the "Convertible Note") in consideration of the rollover of the November 13, 2013, Note and an additional $150,000. The Convertible Note bears interest at the rate of 9% per annum and is due on the first anniversary of the date of issuance, January 12, 2015. All or any portion of the principal amount of the Convertible Note and all accrued interest is convertible at the option of the holder into common stock of the Company at a conversion price of thirty cents ($0.30) per share, provided that if the Volume Weighted Average Price (VWAP) for the 30 days immediately preceding the receipt of a conversion notice is less than sixty cents ($.60) per share, the conversion price shall be reduced to twenty cents ($.20) per share.

The Company's obligation under the Convertible Note is secured by a lien on substantially all of its assets, including its inventory, receivables, trademarks and trade names. Further, the Company may not enter into any loan to be repaid prior to the due date of the Convertible Note or having a priority senior to the Convertible Note.

On November 22, 2013, in a privately negotiated transaction the Company issued 250,000 shares of the Company's stock for $50,000 or $0.20 per share to a non-affiliated individual investor.

On November 27, 2013, in a privately negotiated transaction the Company issued 250,000 shares of the Company's common stock for $50,000 or $0.20 per share to a non-affiliated individual investor.

On December 2, 2013, in a privately negotiated transaction the Company issued 100,000 shares of the Company's common stock for $20,000 or $0.20 per share to a non-affiliated individual investor.

The securities described above were issued in reliance upon the exemption from registration pursuant to Section 4(2) of the Securities Act.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Under its Articles of Incorporation and Bylaws, the Registrant may indemnify an officer or director who is made a party to any proceeding, including a lawsuit, because of his position, if he acted in good faith and in a manner he reasonably believed to be in our best interest. The Registrant may advance expenses incurred in defending a proceeding. To the extent that the officer or director is successful on the merits in a proceeding as to which he is to be indemnified, the Registrant must indemnify him against all expenses incurred, including attorney's fees. With respect to a derivative action, indemnity may be made only for expenses actually and reasonably incurred in defending the proceeding, and if the officer or director is judged liable, only by a court order. The indemnification is intended to be to the fullest extent permitted by the laws of the State of Nevada.

Regarding indemnification for liabilities arising under the Securities Act of 1933, which may be permitted to directors or officers under Nevada law, we are informed that, in the opinion of the Securities and Exchange Commission, indemnification is against public policy, as expressed in the Act and is, therefore, unenforceable.

Insofar as indemnification by the Registrant for liabilities arising under the Securities Act may be permitted to its directors, officers or persons controlling the Registrant pursuant to provisions of its certificate of incorporation, bylaws, Nevada law or otherwise, the Registrant has been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification by such director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding is asserted by such director, officer or controlling person in connection with the securities being offered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by the Registrant is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

LEGAL PROCEEDINGS

Each of the Registrant and Banjo & Matilda is not party to any pending litigation and no such litigation is contemplated or threatened by either the Registrant or Banjo & Matilda.

Item 3.02 Unregistered Sales of Equity Securities

Reference is made to the disclosure set forth Item 2.01 of this Current Report under the caption “Recent Sales of Unregistered Securities,” which disclosure is incorporated by reference into this section.

The Registrant’s offer and sale of the shares of common stock to the shareholders of Banjo & Matilda and the issuance of shares to Brendan Macpherson and Belinda Storelli Macpherson under their respective employment agreements were exempt under Section 4(2) of the Securities Act because the transaction by the Registrant did not involve a public offering. The offering was not a “public offering” (as defined in Section 4(2)) due to the insubstantial number of persons involved in the issuance, the size of the offering and the manner of the offering. Based on an analysis of these factors, the Registrant has met the requirements to qualify for exemption under Section 4(2) of the Securities Act for this transaction.

Item 4.01 Changes in Registrant’s Certifying Accountant

Dismissal of Principal Accountant

On January 14, 2014, the Company advised MaloneBailey, LLP that it had been dismissed as the independent registered public accounting firm for the Company. The dismissal of MaloneBailey, LLP was approved by the Board of Directors of the Company.

MaloneBailey, LLP audited the financial statements of the Registrant as at and for the years ended December 31, 2012 and December 31, 2011. The opinions issued by MaloneBailey, LLP on the financial statements of the Company for the years ended Deceember 31, 2012 and December 31, 2011, both contained "going concern" qualifications. In both opinions, MaloneBailey ,LLP noted that the Company had incurred reoccurring losses since inception, which raised substantial doubt as to the Company's ability to continue as a going concern and that the financial statements did not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

During the Company's fiscal years ended December 31, 2012 and December 31, 2011, and through the date of the dismissal of MaloneBailey, LLPt: (i) there were no disagreements between the Company and MaloneBailey, LLP on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of MaloneBailey, LLP would have caused MaloneBailey, LLP to make reference to the subject matter of the disagreement in its report on the Company's financial statements for such years or during the interim period through the dismissal of MaloneBailey LLP and (ii) there were no reportable events within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

The Company provided MaloneBailey, LLP with a copy of the disclosures in its Form 8-K in which it announced that it had terminated MaloneBailey LLP. A copy of a letter from MaloneBailey LLP addressed to the Securities and Exchange Commission stating that it agreed with the Company's statements in the Company's Form 8-K was filed as an Exhibit to the Company's Form 8-K.

On January 14, 2014, the Company signed a letter to engage Lichter, Yu and Associates as its independent registered public accountants for the fiscal year ending June 30, 2014. The decision to engage Lichter, Yu & Associates was approved by the Board of Directors of the Company.

Lichter, Yu and Associates has been the registered independent public accountants for Banjo & Matilda, Pty Ltd, a corporation organized under the laws of Australia ("B&M"), which the Company acquired in a transaction which for accounting purposes was treated as a reverse acquisition on November 14, 2013, and during B&M's two most recent fiscal years ended June 30, 2013 and June 30, 2012 Lichter, Yu & Associates audited the financial statements of B&M and issued an audit report on the financial statements of B&M as at and for the years ended June 30, 2013 and June 30, 2012.

During the Company's fiscal years ended December 31, 2012 and December 31, 2011, and through the date of the dismissal of MaloneBailey LLP, the Company did not consult with Lichter, Yu and Associates on (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that may be rendered on the Company's financial statements, and Lichter, Yu and Associates did not provide either a written report or oral advice to the Company that Lichter, Yu and Associates concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; or (ii) the subject of any disagreement, as defined in Item 304 (a)(1)(iv) of Regulation S-K and the related instructions, or a reportable event within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

Item 5.01 Changes in Control of Registrant

Reference is made to the disclosure set forth under Item 2.01 of this report, which disclosure is incorporated herein by reference.

As a result of the issuance of shares under the Share Exchange Agreement, Brendan Macpherson, the controlling shareholder of Banjo & Matilda, and Raymond Key beneficially owns approximately 38.6% and 19.0%, respectively, of the Registrant's common stock, and as a result they have the ability to control the policies and management of the Registrant, as well as determine matters requiring stockholder approval, including decisions regarding mergers, consolidations, the sale of all or substantially all of our assets, election of directors and other significant corporate actions. Upon the issuance of the super voting preferred stock to Brendon Macpherson under his employment agreement, Mr. Macpherson will have voting control of the Registrant.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 14, 2013, in conjunction with the Registrant's acquisition of Banjo & Matilda pursuant to the Share Exchange, (i) Brendan Macpherson became a director, Chief Executive Officer and Secretary of the Registrant, (ii) Belinda Storelli Macpherson, the wife of Brendan Macpherson, became a director and the Chief Creative Officer of the Registrant and (iii) Robert Dardano became the Interim Chief Financial Officer. Each of Jared Robinson and Neil Kleinman resigned as officers and directors of the Registrant.

Brendan Macpherson is the husband of Belinda Storelli Macpherson. Brendan Macpherson and Belinda Storelli Macpherson shall each serve as a director and an officer of the Registrant until their successors are duly elected and qualified. Ms. Macpherson has not, nor has had in the past five (5) years, a directorship with any public company. Mr. Macpherson was a Director of Artists & Entertainment Group, an Australian listed company (ASX: AEM) in or about October 2008. Since January 1, 2012, neither Mr. Macpherson nor Ms. Macpherson has engaged in any transactions with the Registrant which would be required to be reported under Item 404(a) of Regulation S-K.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On October 8, 2013 the Registrant merged its wholly-owned Nevada subsidiary, Banjo & Matilda, Inc. with and into itself (with the registrant being the surviving corporation), and in connection with such merger changed its name from Eastern World Solutions Inc. to that of the subsidiary, Banjo & Matilda, Inc. Except for the change in the Company's name, there were no other changes to the registrant's Articles of Incorporation. A copy of the Articles of Merger is attached hereto as Exhibit 3.2.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
3.1#	Banjo & Matilda Pty Ltd Certificate of Registration
3.2#	Articles of Merger
3.3#	Banjo &Matilda (USA) Certificate of Incorporation
10.1#	Share Exchange Agreement dated as of November 14, 2013 by and among the Registrant, Banjo & Matilda Pty Ltd and the shareholders of Banjo & Matilda Pty Ltd
10.2#	76 William Street Lease
10.3#	Intellectual Property Sale Agreement, dated February 26, 2013, by and between Harboursafe Holdings and Banjo & Matilda Pty Ltd
10.4#	Loan Facility Agreement made as of July 1, 2013 by and between Harboursafe Holdings and Banjo & Matilda Pty Ltd
10.5#	Loan Facility Agreement, dated November 3, 2013, by and between Raymond Key and Banjo & Matilda Pty Ltd
10.6#	Employment Agreement, entered into on November 15, 2013, by and between the Registrant and Brendan Macpherson
10.7#	Employment Agreement, entered into on November 15, 2013, by and between the Registrant and Belinda Macpherson
10.8+	Convertible Note Agreement between the Registrant and Raymond Key
21.1#	List of Subsidiaries
99.1*	Audited Financial Statements of Banjo & Matilda Pty Ltd. for the years ended June 30, 2013 and June 30, 2012
99.2*	Unaudited Financial Statements of Banjo & Matilda Pty Ltd. for the three and six months ended December 31, 2013 and 2012
99.3*	Unaudited Financial Statements of Banjo & Matilda Pty Ltd. for the three months ended September 30, 2013 and 2012
99.4*	Unaudited Pro Forma Financial Information

* Filed herewith.

Filed with the Form 8-K dated November 14, 2013, filed on November 18, 2013.

+ Filed with the Form 8-K dated January 12, 2014, filed on February 28, 2014.

SIGNATURE

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 hereunto duly authorized.

BANJO & MATILDA, INC.

Dated: March 3, 2014

By: /s/ *Brendan Macpherson*
Name: Brendan Macpherson
Title: Chief Executive Officer

EXHIBIT 99.1

BANJO & MATILDA TRUST

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

INDEX TO AUDITED FINANCIAL STATEMENTS

LICHTER, YU AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

16133 VENTURA BLVD., SUITE 450
ENCINO, CALIFORNIA 91436
TEL (818)789-0265 FAX (818) 789-3949

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders of
Banjo & Matilda Trust

We have audited the accompanying balance sheets of Banjo & Matilda Trust (the "Company") as of June 30, 2013 and 2012, and the related statements of operations and comprehensive income (loss), stockholders' equity, and cash flows for the years ended June 30, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years ended June 30, 2013 and 2012, in conformity with U.S. generally accepted accounting principles.

Encino, California
September 25, 2013

BANJO & MATILDA TRUST
BALANCE SHEETS
JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 11,104	$ 4,061
Trade receivables, net	11,120	20,951
Inventory	329,598	186,851
Other assets	78,505	2,032
TOTAL CURRENT ASSETS	430,327	213,895
NON-CURRENT ASSETS		
Intangible assets	43,310	13,805
Other receivable	142,658	45,981
Property, plant and equipment	7,324	12,203
TOTAL NON-CURRENT ASSETS	193,292	71,989
TOTAL ASSETS	$ 623,619	$ 285,884
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade and other payables	$ 395,802	$ 471,143
Deposit payable	–	87,495
Line of credit	93,968	47,442
Accrued interest	13,063	4,732
Loan payable	–	5,299
TOTAL CURRENT LIABILITIES	502,833	616,111
NON-CURRENT LIABILITIES		
Loan from related party	293,640	157,733
TOTAL NON-CURRENT LIABILITIES	293,640	157,733
TOTAL LIABILITIES	796,473	773,844
STOCKHOLDERS' EQUITY		
Common Stock, no par and 117 and 100 shares issued and outstanding, respectively	246,581	102
Other accumulated comprehensive gain (loss)	51,106	4,231
Accumulated deficit	(470,541)	(492,293)
TOTAL STOCKHOLDERS' EQUITY	(172,854)	(487,960)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 623,619	$ 285,884

The accompanying notes are an integral part of these financial statements

BANJO & MATILDA TRUST
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Revenue	$ 1,724,181	$ 950,812
Cost of sales	977,086	677,002
Gross profit	747,095	273,810
Payroll and employee related expenses	240,450	131,896
Administration expense	195,422	165,286
Marketing expense	88,826	144,303
Occupancy expenses	47,518	36,321
Depreciation and amortization expense	8,821	6,018
	581,037	483,824
Income (loss) from operations	166,058	(210,014)
Other (Income) Expense		
Interest income	(1)	(1)
Other income	(52,585)	(59)
Finance costs	196,892	56,348
Total Other Expense	144,306	56,288
Income (loss) before income tax	21,752	(266,302)
Provision for income taxes	–	–
Net income (loss)	21,752	(266,302)
Other comprehensive income		
Foreign currency translation	46,875	4,231
Comprehensive income (loss)	$ 68,627	$ (262,071)
Net income (loss) per share from net income (loss)		
Basic	$ 218	$ (2,663)
Diluted	$ 186	$ (2,663)
Weighted average number of shares outstanding:		
Basic	100	100
Diluted	117	100

The accompanying notes are an integral part of these financial statements

BANJO & MATILDA TRUST
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	Common Stock		Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Gain (Loss)	Deficit	Equity
Balance June 30, 2011	100	$ 102	$ –	$ (225,992)	$ (225,890)
Foreign currency translation adjustments	–	–	4,231	–	4,231
Net loss for the year ended June 30, 2012	–	–	–	(266,302)	(266,302)
Balance June 30, 2012	100	102	4,231	(492,293)	(487,960)
Foreign currency translation adjustments	–	–	46,875	–	46,875
Conversion of debt to equity	17	246,479	–	–	246,479
Net income for the year ended June 30, 2013	–	–	–	21,752	21,752
Balance June 30, 2013	117	$ 246,581	$ 51,106	$ (470,541)	$ (172,854)

BANJO & MATILDA TRUST
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Net income (loss)	$ 21,752	$ (266,302)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	8,821	6,018
(Increase)/decrease in assets:		
Trade receivables	8,674	14,006
Inventory	(181,720)	(189,868)
Other assets	(86,215)	
Other receivable	(113,924)	(46,723)
Increase/(decrease) in current liabilities:		
Trade payables	(31,212)	80,829
Accrued interest	9,905	4,808
Deposits payable	(88,443)	88,908
Net cash used in operating activities	(452,362)	(308,324)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(38,446)	(14,895)
Purchase of property, plant and equipment	(1,017)	(4,318)
Net cash used in investing activities	(39,463)	(19,213)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from related party	170,725	268,226
Proceeds from loan payable	334,837	17,042
Repayment on loan payable	(5,356)	(7,180)
Net cash provided by financing activities	500,206	278,088
Effect of exchange rate changes on cash and cash equivalents	(1,338)	485
Net (decrease)/increase in cash and cash equivalents	7,043	(48,964)
Cash and cash equivalents at the beginning of the period	4,061	53,025
Cash and cash equivalents at the end of the period	$ 11,104	$ 4,061
SUPPLEMENTAL DISCLOSURES:		
Conversion of debt to equity	$ 246,479	$ –
Cash paid during the year for:		
Income tax payments	$ –	$ –
Interest payments	$ 35,071	$ 16,229

The accompanying notes are an integral part of these financial statements

Note 1 -- BASIS OF PRESENTATION AND ORGANIZATION

Banjo & Matilda Trust ("the Company") was incorporated under the laws of Australia on May 27, 2009 and manufactures and sells cashmere fashion. Headquartered at Bondi Beach, the Aussie lifestyle of sun, sand and surf resonates innately with this label and its philosophy of low maintenance, style and comfort.

The ultra-soft cashmere staples, pairing simplicity with cool sophistication has rapidly gained loyal customers worldwide positioning the label as the 'go-to' for contemporary cashmere products.

Note 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of Presentation</u>
The accompanying financial statements were prepared in conformity with generally accepted accounting principles in the United States of America ("US GAAP").

<u>Exchange Gain (Loss)</u>
During the fiscal years ended June 30, 2013 and 2012, the transactions of the Company were denominated in foreign currency and were recorded in Australian dollar (AUD) at the rates of exchange in effect when the transactions occurred. Exchange gains and losses are recognized for the different foreign exchange rates applied when the foreign currency assets and liabilities are settled.

<u>Foreign Currency Translation and Comprehensive Income (Loss)</u>
The accounts of the Company were maintained, and its financial statements were expressed, in AUD. Such financial statements were translated into USD with the AUD as the functional currency. All assets and liabilities were translated at the exchange rate at the balance sheet date, stockholder's equity is translated at the historical rates and income statement items are translated at the average exchange rate for the period. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Any differences between the initially recorded amount and the settlement amount are recorded as a gain or loss on foreign currency transaction in the statements of operations. The resulting translation adjustments are reported under other comprehensive income as a component of shareholders' equity. There were no significant fluctuations in the exchange rate for the conversion of AUD to USD after the balance sheet date.

<u>Use of Estimates</u>
The preparation of financial statements in conformity with US GAAP requires management to make certain 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. Actual results could differ from those estimates. Significant estimates include collectability of accounts receivable, accounts payable, sales returns and recoverability of long-term assets.

<u>Reportable Segment</u>
The Company has one reportable segment. The Company's activities are interrelated and each activity is dependent upon and supportive of the other. Accordingly, all significant operating decisions are based on analysis of financial products provided as a single global business.

<u>Liquidity Matters</u>
Based upon its current projection of revenue, management believes that its current cash position and available financing provide sufficient resources and operating flexibility through at least the next twelve months. However, there can be no assurance that projected revenue growth and improvement in operating results will occur or that the Company will successfully implement its plans. In the event cash flow from operations is not sufficient, additional sources of financing will be required in order to maintain the Company's current operations. Whereas management believes it will have access to other financing sources, no assurance can be given that such additional sources of financing will be available on acceptable terms, on a timely basis or at all.

Revenue Recognition

Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. Revenue generally is recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities.

Cost of Sales

Cost of sales consists primarily of inventory costs, as well as warehousing costs (including the cost of warehouse labor), third party royalties and research, design and development costs.

Operating Overhead Expense

Operating overhead expense consists primarily of payroll and benefit related costs, rent, depreciation and amortization, professional services, and meetings and travel.

Income Taxes

The Company utilizes FASB Accounting Standards Codification (ASC) Topic 740, Income Taxes, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that were included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company follows FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, (codified in FASB ASC Topic 740). When tax returns are filed, it is likely that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest associated with unrecognized tax benefits is classified as interest expense and penalties are classified in selling, general and administrative expenses in the statements of income.

At June 30, 2013 and 2012, the Company had not taken any significant uncertain tax positions on its tax returns for 2012 and prior years or in computing its tax provision for 2013.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are cash, accounts receivable and other receivables arising from its normal business activities. The Company places its cash in what it believes to be credit-worthy financial institutions. The Company has a diversified customer base, most of which are in Australia. The Company controls credit risk related to accounts receivable through credit approvals, credit limits and monitoring procedures. The Company routinely assesses the financial strength of its customers and, based upon factors surrounding the credit risk, establishes an allowance, if required, for uncollectible accounts and, as a consequence, believes that its accounts receivable credit risk exposure beyond such allowance is limited.

Risks and Uncertainties

The Company is subject to risks from, among other things, competition associated with the industry in general, other risks associated with financing, liquidity requirements, rapidly changing customer requirements, limited operating history, foreign currency exchange rates and the volatility of public markets.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and legal counsel assess such contingent liabilities, and such assessment inherently involves judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material would be disclosed. Loss contingencies considered to be remote by management are generally not disclosed unless they involve guarantees, in which case the guarantee would be disclosed.

Cash and Equivalents

Cash and equivalents include cash in hand and cash in demand deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. At June 30, 2013 and 2012, the Company had $11,104 and $4,061 in cash in Australia and not covered by insurance. The Company has not experienced any losses in such accounts and believes it is not exposed to any risks on its cash in bank accounts.

Allowance for Doubtful Accounts

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. The allowance for doubtful accounts was $0 at June 30, 2013 and $0 at June 30,2012.

Inventory

Inventories are valued at the lower of cost (determined on a weighted average basis) or market. Management compares the cost of inventories with the market value and allowance is made to write down inventories to market value, if lower. As of June 30, 2013 and 2012, inventory only consisted of the following:

	2013	2012
Work in progress	$ 124,492	$ 131,479
Finished goods	194,324	50,090
Raw material	10,782	5,282
	$ 329,598	$ 186,851

Property, Plant & Equipment

Property and equipment is stated at cost and depreciated using the straight-line method over the shorter of the estimated useful life of the asset or the lease term. The estimated useful lives of our property and equipment are generally as follows: computer software developed or acquired for internal use, three to 10 years; computer equipment, two to three years; buildings and improvements, five to 15 years; leasehold improvements, two to 10 years; and furniture and equipment, one to five years. As of June 30, 2013 and 2012, Property, Plant & Equipment consisted of the following:

	2013	2012
Plant and Equipment	$ 21,855	$ 23,305
Accumulated Depreciation	(14,531)	(11,102)
	$ 7,324	$ 12,203

Depreciation was $5,117 and $5,137 for 2013 and 2012, respectively.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity," and ASC 815.

As of June 30, 2013, the Company did not identify any assets and liabilities that are required to be presented on the balance sheet at fair value.

Earnings Per Share (EPS)

Basic EPS is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed similar to basic net income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if all the potential common shares, warrants and stock options had been issued and if the additional common shares were dilutive. Diluted EPS is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method for the outstanding options and the if-converted method for the outstanding convertible preferred shares. Under the treasury stock method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Under the if-converted method, convertible outstanding instruments are assumed to be converted into common stock at the beginning of the period (or at the time of issuance, if later).

The following table sets for the computation of basic and diluted earnings per share for period ended June 30, 2013 and 2012:

	2013	2012
Basic and Diluted:		
Basic:		
Net income	$ 21,752	$ (266,302)
Weighted average common shares outstanding	100	100
Earnings per share	$ 218	$ (2,663)
Diluted:		
Net income	$ 21,752	$ (266,302)
Weighted average common shares outstanding	117	100
Earnings per share	$ 186	$ (2,663)

Intangible Assets
The Company records identifiable intangible assets at fair value on the date of acquisition and evaluates the useful life of each asset.

Finite-lived intangible assets primarily consist of software development capitalized. Finite-lived intangible assets are amortized on a straight-line basis and are tested for recoverability if events or changes in circumstances indicate that their carrying amounts may not be recoverable. These intangibles have useful lives ranging from 1 to 10 years. No events or changes in circumstances indicate that impairment existed as of June 30, 2013.

Recently Issued Accounting Pronouncements
In December 2010, the FASB issued ASU 2010-29, which provides requirements over pro forma revenue and earnings disclosures related to business combinations. The ASU requires disclosure of revenue and earnings of the combined business as if the combination occurred at the start of the prior annual reporting period only. The Company adopted ASU 2010-29 effective October **1,** 2011. The adoption did not have a material impact on the financial statements.

In June 2011, the FASB issued ASU 2011-05, which impacts the presentation of comprehensive income. The guidance requires components of other comprehensive income to be presented with net income to arrive at total comprehensive income. This ASU impacts presentation only and does not impact the underlying components of other comprehensive income or net income. In December 2011, the FASB issued an amendment to ASU 2011-05, which defers the requirement to present components of reclassifications of other comprehensive income on the face of the income statement. All other components of ASU 2011-05 are effective October 1, 2012. Adoption is not expected to have a material impact on the financial statements.

In July 2012, the FASB issued ASU 2012-02, which will allow an entity to first assess qualitative factors to determine whether it is necessary to perform a quantitative impairment test for indefinite-lived intangible assets. The standard will be adopted on October 1, 2012, and is not expected to have a material impact on the financial statements.

Note 3 -- TRADE RECEIVABLE

As of June 30, 2013 and 2012, trade receivables are comprised of the following:

	2013	2012
Trade receivable	$ 11,120	$ 20,951
Allowance for bad debt	–	–
	$ 11,120	$ 20,951

Note 4 -- OTHER ASSETS

Other assets consist of the following as of June 30, 2013 and 2012:

	2013	2012
VAT paid	$ 68,168	$ –
Prepaid and other assets	10,337	2,032
	$ 78,505	$ 2,032

Note 5 -- OTHER RECEIVABLE

Other assets consist of the following as of June 30, 2013 and 2012:

	2013	2012
Development grant	$ 98,792	$ –
Other receivable	43,866	45,981
	$ 142,658	$ 45,981

Note 6 -- INTANGIBLE ASSETS

Intangible assets consist of the following as of June 30, 2013 and 2012:

	2013	2012
Website	$ 47,371	$ 14,658
Accumulated amortization	(4,061)	(853)
	$ 43,310	$ 13,805

The intangible assets are amortized over 1 to 10 years. Amortization expense was $3,704 and $881 for 2013 and 2012, respectively. Amortization for the Company's intangible assets over the next five fiscal years from June 30, 2013 is estimated to be:

June 30,	
2014	$ 6,180
2015	6,180
2016	6,180
2017	6,180
2018	6,180
Thereafter	12,410
	$ 43,310

Note 7 -- TRADE AND OTHER PAYABLES

As of June 30, 2013 and 2012, trade and other payable are comprised of the following:

	2013	2012
Trade payable	$ 334,776	$ 380,853
Employee benefits	33,085	77,856
Other liabilities	27,941	12,434
	$ 395,802	$ 471,143

Note 8 -- LINE OF CREDIT

The Company has line of credit available with a financial institution in Australia with a maximum limit of AUD $100,000 at an interest rate of 20.95% per annum. As of June 30, 2013 and 2012, the Company had outstanding balances of $93,968 and $47,442, respectively.

Note 9 -- LOANS

CURRENT	2013	2012
Loan	$ –	$ 5,299
	$ –	$ 5,299

The Company entered into a term loan agreement for AUD $13,909 in 2011 with a bank in Australia. Interest rate was 24% per annum and required 24 monthly payments of AUD $735. As of June 30, 2013 the loan was paid off, at June 30, 2012 the Company had a balance due of $5,299.

Convertible Loan

During the year ended June 30, 2013 the company entered into two convertible loan arrangements with an individual at an annual interest rate of thirty percent (30%). On June 30, 2013 the individual exercised his right to convert the loans and accrued interest of $246,749 into equity and received seventeen (17) shares of Company. Interest expense on these loans was $19,254 during the year ended June 30, 2013.

Related Party Loans

The Company has loans payable in the amount of $293,640 and $157,733 to a shareholder of the Company as of June 30, 2013 and 2012, respectively. Interest is at three percent (3%) per annum. Interest expense on these loans for the years ended June 30, 2013 and 2012 was $9,904 and $4,808, respectively.

NON-CURRENT	2013	2012
Related party loan	$ 293,640	$ 157,733
	$ 293,640	$ 157,733

Note 10 -- INCOME TAX

The following is a reconciliation of the provision for income taxes as the US federal income tax rate to the income taxes reflected in the Statements of Operations and Comprehensive Income (Loss) for the fiscal year ended June 30, 2013 and 2012, respectively:

June 30, 2013	U.S.	State	International	Total
Current	$ –	$ –	$ –	$ –
Deferred				
Total	$ –	$ –	$ –	$ –

June 30, 2012	U.S.	State	International		Total
Current	$ –	$ –	$ –	$	$ –
Deferred					
Total	$ –	$ –	$ –		$ –

Reconciliation of the differences between the statutory U.S. Federal income tax rate and the effective rate is as follows:

	June 30, 2013	June 30, 2012
US statutory tax rate (benefit)	34%	34%
Tax rate difference	(4%)	(4%)
Net operating loss	(30%)	(30%)
Tax expense at actual rate	--%	--%

Note 11 -- SUBSEQUENT EVENTS

Management has evaluated events subsequent through September 25, 2013 for transactions and other events that may require adjustment of and/or disclosure in such financial statements.

EXHIBIT 99.2

PART I FINANCIAL INFORMATION

Item 1. Financial statements

BANJO & MATILDA, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013
(UNAUDITED)

INDEX TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

BANJO & MATILDA, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

		December 31, 2013 (Unaudited)		June 30, 2013
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	27,160	$	11,104
Trade receivables, net		213,676		11,120
Inventory		585,792		329,598
Other assets		132,519		78,505
TOTAL CURRENT ASSETS		959,147		430,327
NON-CURRENT ASSETS				
Intangible assets		44,171		43,310
Other receivable		106,919		142,658
Property, plant and equipment		7,889		7,324
TOTAL NON-CURRENT ASSETS		158,979		193,292
TOTAL ASSETS	$	1,118,126	$	623,619
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade and other payables	$	381,041	$	395,802
Trade financing		217,220		93,968
Accrued interest		18,928		13,063
Loan payable		184,109		-
TOTAL CURRENT LIABILITIES		801,298		502,833
NON-CURRENT LIABILITIES				
Loan from related parties		256,149		293,640
TOTAL NON-CURRENT LIABILITIES		256,149		293,640
TOTAL LIABILITIES		1,057,447		796,473
STOCKHOLDERS' EQUITY				
Preferred stock, $0.00001 par value, 100,000,000 shares authorized and 1,000,000 and 0 shares issued and outstanding, respectively		10		-
Common stock, $0.00001 par value, 100,000,000 shares authorized and 27,036,484 and 18,505,539 shares issued and outstanding, respectively		270		185
Additional paid in capital		666,282		246,396
Other accumulated comprehensive gain		56,564		51,106
Accumulated deficit		(662,447)		(470,541)
TOTAL STOCKHOLDERS' EQUITY		60,679		(172,854)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	1,118,126	$	623,619

The accompanying notes are an integral part of these financial statements

BANJO & MATILDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2013 AND 2012
(UNAUDITED)

	Three Monthed Ended		Six Monthed Ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Revenue	$ 426,015	$ 192,060	$ 955,229	$ 792,479
Cost of sales	242,683	101,802	584,976	470,093
Gross profit	183,332	90,258	370,253	322,386
Payroll and employee related expenses	118,120	77,578	200,357	124,467
Administration expense	30,395	32,723	63,047	62,046
Marketing expense	39,291	11,811	60,231	24,412
Occupancy expenses	27,106	12,457	36,590	24,926
Depreciation and amortization expense	3,276	2,323	6,507	4,649
	218,188	136,892	366,732	240,500
Income from operations	(34,856)	(46,634)	3,521	81,886
Other Income (Expense)				
Other income	-	(6)	-	13,735
Other expenses	(99,138)	-	(99,138)	-
Finance costs	(44,755)	(34,951)	(96,289)	(74,109)
Total Other Expense	(143,893)	(34,957)	(195,427)	(60,374)
(Loss) income before income tax	(178,749)	(81,591)	(191,906)	21,512
Provision for income taxes	-	-	-	-
Net (loss) income	(178,749)	(81,591)	(191,906)	21,512
Other comprehensive income				
Foreign currency translation	9,081	396	5,458	(10,214)
Comprehensive (loss) income	$ (169,668)	$ (81,195)	$ (186,448)	$ 11,298
Net (loss) income per share from net (loss) income				
Basic	$ (0.008)	$ (0.004)	$ (0.009)	$ 0.001
Diluted	$ (0.008)	$ (0.004)	$ (0.009)	$ 0.001
Weighted average number of shares outstanding:				
Basic	23,089,880	18,505,539	21,679,314	18,505,539
Diluted	23,089,880	18,505,539	21,679,314	18,505,539

The accompanying notes are an integral part of these financial statements

BANJO & MATILDA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013 AND 2012
(UNAUDITED)

	2013	2012
Net (loss) income	$ (191,906)	$ 21,512
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	6,507	4,649
(Increase) / decrease in assets:		
Trade receivables	(210,669)	15,532
Inventory	(275,783)	(50,781)
Other assets	(58,411)	(27,315)
Other receivable	32,896	16,577
Increase/ (decrease) in current liabilities:		
Trade payables and other liabilities	1,767	(36,478)
Deposits payable	-	(62,515)
Net cash used in operating activities	(695,599)	(118,819)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(5,160)	(15,002)
Purchase of property, plant and equipment	(4,325)	-
Net cash used in investing activities	(9,485)	(15,002)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of stock	120,000	-
Loans, net	472,444	111,884
Net trade financing	130,767	33,783
Net cash provided by financing activities	723,211	145,667
Effect of exchange rate changes on cash and cash equivalents	(2,071)	67
Net (decrease) / increase in cash and cash equivalents	16,056	11,913
Cash and cash equivalents at the beginning of the period	11,104	4,061
Cash and cash equivalents at the end of the period	$ 27,160	$ 15,974
SUPPLEMENTAL DISCLOSURES:		
Conversion of debt to equity	$ 338,083	$ -
Cash paid during the year for:		
Income tax payments	$ -	$ -
Interest payments	$ 44,838	$ 10,626

The accompanying notes are an integral part of these financial statements

Note 1 – BASIS OF PRESENTATION AND ORGANIZATION

Banjo and Matilda, Inc. was incorporated in Nevada on December 18, 2009 under the name Eastern World Group, Inc. On September 24, 2013, its name was changed to Banjo & Matilda, Inc.

On November 14, 2013, Banjo & Matilda, Inc., entered into a Share Exchange Agreement (the "Exchange Agreement") with Banjo & Matilda, Pty Ltd., a corporation formed under the laws of Australia (the "Company") and the shareholders of the Company. Pursuant to the Exchange Agreement, at the closing of the transaction contemplated thereunder (the "Transaction"), the Company became a wholly-owned subsidiary of Banjo & Matilda, Inc.

Banjo & Matilda Pty Ltd. was incorporated under the laws of Australia on May 27, 2009 and manufactures and sells cashmere fashion. Headquartered at Bondi Beach, the Aussie lifestyle of sun, sand and surf resonates innately with this label and its philosophy of low maintenance, style and comfort.

The ultra-soft cashmere staples, pairing simplicity with cool sophistication has rapidly gained loyal customers worldwide positioning the label as the 'go-to' for contemporary cashmere products.

Under accounting principles generally accepted in the United States, the share exchange is considered to be a capital transaction in substance, rather than a business combination. That is, the share exchange is equivalent to the issuance of stock by Banjo & Matilda Pty Ltd. for the net monetary assets of the Banjo & Matilda, Inc. accompanied by a recapitalization, and is accounted for as a change in capital structure. Accordingly, the accounting for the share exchange will be identical to that resulting from a reverse acquisition, except no goodwill will be recorded. Under share reverse takeover accounting, the post reverse acquisition comparative historical financial statements of the legal acquirer, Banjo & Matilda, Inc. are those of the legal acquiree, Banjo & Matilda Pty Ltd., which is considered to be the accounting acquirer. Share and per share amounts stated have been retroactively adjusted to reflect the merger.

As a result of the exchange agreement, the reorganization was treated as an acquisition by the accounting acquiree that is being accounted for as a recapitalization and as a reverse merger by the legal acquirer for accounting purposes. Pursuant to the recapitalization, all capital stock shares and amounts and per share data have been retroactively restated. Accordingly, the financial statements include the following:

(1) The balance sheet consists of the net assets of the accounting acquirer at historical cost and the net assets of the legal acquirer at fair value.

(2) The statements of operations include the operations of the accounting acquirer for the period presented and the operations of the legal acquirer from the date of the merger.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements were prepared in conformity with generally accepted accounting principles in the United States of America ("US GAAP").

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to U.S. GAAP rules and regulations for presentation of interim financial information. Therefore, the unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the years ended June 30, 2013 and 2012. Current and future financial statements may not be directly comparable to the Company's historical financial statements. Accordingly, the results of operations for the interim period are not necessarily indicative of the results to be expected for any other interim period or for the full year.

Exchange Gain (Loss)

During the three and six months ended December 31, 2013 and 2012, the transactions of the Company were denominated in foreign currency and were recorded in Australian dollar (AUD) at the rates of exchange in effect when the transactions occurred. Exchange gains and losses are recognized for the different foreign exchange rates applied when the foreign currency assets and liabilities are settled.

Foreign Currency Translation and Comprehensive Income (Loss)
The accounts of the Company were maintained, and its financial statements were expressed, in AUD. Such financial statements were translated into USD with the AUD as the functional currency. All assets and liabilities were translated at the exchange rate at the balance sheet date, stockholder's equity is translated at the historical rates and income statement items are translated at the average exchange rate for the period. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Any differences between the initially recorded amount and the settlement amount are recorded as a gain or loss on foreign currency transaction in the statements of operations. The resulting translation adjustments are reported under other comprehensive income as a component of shareholders' equity. There were no significant fluctuations in the exchange rate for the conversion of AUD to USD after the balance sheet date.

Use of Estimates
The preparation of financial statements in conformity with US GAAP requires management to make certain 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. Actual results could differ from those estimates. Significant estimates include collectability of accounts receivable, accounts payable, sales returns and recoverability of long-term assets.

Reportable Segment
The Company has one reportable segment. The Company's activities are interrelated and each activity is dependent upon and supportive of the other. Accordingly, all significant operating decisions are based on analysis of financial products provided as a single global business.

Liquidity Matters
Based upon its current projection of revenue, management believes that its current cash position and available financing provide sufficient resources and operating flexibility through at least the next twelve months. However, there can be no assurance that projected revenue growth and improvement in operating results will occur or that the Company will successfully implement its plans. In the event cash flow from operations is not sufficient, additional sources of financing will be required in order to maintain the Company's current operations. Whereas management believes it will have access to other financing sources, no assurance can be given that such additional sources of financing will be available on acceptable terms, on a timely basis or at all.

Revenue Recognition
Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. Revenue generally is recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities.

Cost of Sales
Cost of sales consists primarily of inventory costs, as well as warehousing costs (including the cost of warehouse labor), shipping, importation duties and charges, third party royalties, and product sampling.

Operating Overhead Expense
Operating overhead expense consists primarily of payroll and benefit related costs, rent, depreciation and amortization, professional services, and meetings and travel.

Income Taxes
The Company utilizes FASB Accounting Standards Codification (ASC) Topic 740, Income Taxes, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that were included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company follows FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, (codified in FASB ASC Topic 740). When tax returns are filed, it is likely that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest associated with unrecognized tax benefits is classified as interest expense and penalties are classified in selling, general and administrative expenses in the statements of income.

At December 31, 2013 and 2012, the Company had not taken any significant uncertain tax positions on its tax returns for 2012 and prior years or in computing its tax provision for 2013.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are cash, accounts receivable and other receivables arising from its normal business activities. The Company places its cash in what it believes to be credit-worthy financial institutions. The Company has a diversified customer base across many markets, predominantly Australia, United States of America, United Kingdom, Europe and the Middle East. The Company controls credit risk related to accounts receivable through credit approvals, credit limits and monitoring procedures. The Company routinely assesses the financial strength of its customers and, based upon factors surrounding the credit risk, establishes an allowance, if required, for uncollectible accounts and, as a consequence, believes that its accounts receivable credit risk exposure beyond such allowance is limited. In addition, Receivables that are factored through the Company's Receivable finance facility are guaranteed by the finance company that further mitigates Credit Risk.

Risks and Uncertainties

The Company is subject to risks from, among other things, competition associated with the industry in general, other risks associated with financing, liquidity requirements, rapidly changing customer requirements, limited operating history, foreign currency exchange rates and the volatility of public markets.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and legal counsel assess such contingent liabilities, and such assessment inherently involves judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material would be disclosed. Loss contingencies considered to be remote by management are generally not disclosed unless they involve guarantees, in which case the guarantee would be disclosed.

Cash and Equivalents

Cash and equivalents include cash in hand and cash in demand deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. At December 31, 2013 and June 30, 2013, the Company had $27,160 and $11,104 in cash in Australia and not covered by insurance. The Company has not experienced any losses in such accounts and believes it is not exposed to any risks on its cash in bank accounts.

Allowance for Doubtful Accounts

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. There were no allowances for doubtful accounts as of December 31, 2013 and June 30, 2013.

Inventory

Inventories are valued at the lower of cost (determined on a weighted average basis) or market. Management compares the cost of inventories with the market value and allowance is made to write down inventories to market value, if lower. As of December 31, 2013 and June 30, 2013, inventory only consisted of the following:

	December 31, 2013	June 30, 2013
Work in progress	$ 160,552	$ 124,492
Finished goods	412,927	194,324
Raw materials	12,313	10,782
	$ 585,792	$ 329,598

Property, Plant & Equipment

Property and equipment is stated at cost and depreciated using the straight-line method over the shorter of the estimated useful life of the asset or the lease term. The estimated useful lives of our property and equipment are generally as follows: computer software developed or acquired for internal use, three to 10 years; computer equipment, two to three years; buildings and improvements, five to 15 years; leasehold improvements, two to 10 years; and furniture and equipment, one to five years.

As of December 31, 2013 and June 30, 2013, Plant and Equipment consisted of the following:

	December 31, 2013	June 30, 2013
Plant and Equipment	$ 25,398	$ 21,855
Accumulated Depreciation	(17,509)	(14,531)
	$ 7,889	$ 7,324

Depreciation was $2,180 and $1,516 for three months ended December 31, 2013 and 2012, respectively.

Depreciation was $3,527 and $2,970 for six months ended December 31, 2013 and 2012, respectively.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity," and ASC 815.

As of December 31, 2013 and June 30, 2013, the Company did not identify any assets and liabilities that are required to be presented on the balance sheet at fair value.

Earnings Per Share (EPS)
Basic EPS is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed similar to basic net income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if all the potential common shares, warrants and stock options had been issued and if the additional common shares were dilutive. Diluted EPS is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method for the outstanding options and the if-converted method for the outstanding convertible preferred shares. Under the treasury stock method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Under the if-converted method, convertible outstanding instruments are assumed to be converted into common stock at the beginning of the period (or at the time of issuance, if later).

The following table sets for the computation of basic and diluted earnings per share for three and six months ended December 31, 2013 and 2012:

	Three Months Ended		**Six Months Ended**	
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**
Basic and Diluted:				
Net (loss) income	$ (178,749)	$ (81,591)	$ (191,906)	$ 21,512
Weighted average number of shares in computing basic and diluted net (loss) income				
Basic	23,089,880	18,505,539	21,679,314	18,505,539
Diluted:	23,089,880	18,505,539	21,679,314	18,505,539
Net (loss) income per share				
Basic and diluted:	$ (0.008)	$ (0.004)	$ (0.009)	$ 0.001

Intangible Assets
The Company records identifiable intangible assets at fair value on the date of acquisition and evaluates the useful life of each asset.

Finite-lived intangible assets primarily consist of software development capitalized. Finite-lived intangible assets are amortized on a straight-line basis and are tested for recoverability if events or changes in circumstances indicate that their carrying amounts may not be recoverable. These intangibles have useful lives ranging from 1 to 10 years. No events or changes in circumstances indicate that impairment existed as of December 31, 2013.

Recently Issued Accounting Pronouncements
In July 2013, the FASB issued an accounting standards update intended to provide guidance on the presentation of unrecognized tax benefits, reflecting the manner in which an entity would settle, at the reporting date, any additional income taxes that would result from the disallowance of a tax position when net operating loss carryforwards, similar tax losses, or tax credit carryforwards exist. This accounting standard will be effective for the Company beginning June 1, 2014; early adoption is permitted. The Company has early adopted this guidance and the adoption did not have a material impact on the Company's consolidated financial position or results of operations.

Note 3 – OTHER ASSETS

Other assets consist of the following as of December 31, 2013 and June 30, 2013:

	December 31, 2013	June 30, 2013
VAT paid	$ 67,547	$ 68,168
Prepaid and other assets	64,972	10,337
	$ 132,519	$ 78,505

Note 4 – OTHER RECEIVABLE

Other assets consist of the following as of December 31, 2013 and June 30, 2013:

	December 31, 2013	June 30, 2013
Development grant	$ 106,919	$ 98,792
Other receivable	-	43,866
	$ 106,919	$ 142,658

Note 5 – INTANGIBLE ASSETS

Intangible assets consist of the following as of December 31, 2013 and June 30, 2013:

	December 31, 2013	June 30, 2013
Website	$ 50,991	$ 47,371
Accumulated amortization	(6,820)	(4,061)
	$ 44,171	$ 43,310

The intangible assets are amortized over 1 to 10 years. Amortization expense was $1,090 and $807 for the three months ended December 31, 2013 and 2012 respectively.

Amortization expense was $2,980 and $1,679 for the six months ended December 31, 2013 and 2012 respectively.

Note 6 – TRADE AND OTHER PAYABLES

As of December 31, 2013 and June 30, 2013, trade and other payable are comprised of the following:

	December 31, 2013	June 30, 2013
Trade payable	$ 283,463	$ 334,776
Employee benefits	40,431	33,085
Other liabilities	57,147	27,941
	$ 381,041	$ 395,802

Note 7 – TRADE FINANCING

The Company has a trade financing agreement with a financial institution in Australia with a maximum limit of AUD $150,000 at an interest rate of 20.95% per annum. As of December 31, 2013 and June 30, 2013, the Company had outstanding balances of $137,553 and $93,968, respectively.

The Company entered into a trade financing agreement with a financial institution in New York with a maximum limit of sixty five percent of the accounts receivable at an interest rate of 1/40 of one percent per day. As of December 31, 2013 and June 30, 2013, the Company had outstanding balances of $79,667 and $0, respectively.

Note 8 – LOANS

In November 2013, the company entered into a short term loan arrangements totalling AUD $100,000 with a shareholder of the Company. Terms of the note were interest rate at 15% per annum or .0329% per day due 30 days from the loan date. The short term note was converted into a 30 day callable convertible note in January 2014. Interest expense on the loan was $1,668 during the six months ended December 31, 2013.

In December 2013, the company entered into a short term loan arrangements totalling $100,000 with an individual. Terms of the note were interest rate at 15% per annum or .0329% per day due 30 days from the loan date. No interest expense was incurred for this loan during the six months ended December 31, 2013.

Related Party Loans

The Company has loans payable in the amount of $256,149 and $293,640 to a shareholder of the Company as of December 31, 2013 and June 30, 2013, respectively. Interest is at three percent (3%) per annum. Interest expense on these loans for the six months ended December 31, 2013 and 2012 was $4,809 and $4,091, respectively.

	December 31, 2013	June 30, 2013
Related party loan	$ 256,149	$ 293,640
	$ 256,149	$ 293,640

Note 9 – STOCKHOLDERS' EQUITY

Preferred Stock
Pursuant to an Employment Agreement (the "Agreement") with the Chief Executive Officer on November 15, 2013, The Company issued 1,000,000 undesignated shares of Preferred Stock each having a par value of $0.00001. The preferred shares shall be entitled to 100 votes to every one share of common stock. The Preferred Shares shall only valid during the term of this Agreement. At the end of the Agreement, November 15, 2016, the shares shall be cancelled and returned to Treasury and the Executive shall have no preferential voting rights. If this Agreement is renewed the preferred shares remain the Executives.

Common Stock
Pursuant to the Exchange Agreement on November 14, 2013, the Company issued 18,505,539 Common Stock, par value $0.00001 per share for the acquisition of Banjo & Matilda, Pty Ltd.

On November 22, 2013, the Company agreed to issue 250,000 shares of the Company stock for $50,000 or $0.20 per share to an individual investor.

On November 27, 2013, the Company agreed to issue 250,000 shares of the Company stock for $50,000 or $0.20 per share to an individual investor.

On December 2, 2013, the Company agreed to issue 100,000 shares of the Company stock for $20,000 or $0.20 per share to an individual investor.

Note 10 – INCOME TAX

The following is a reconciliation of the provision for income taxes as the US federal income tax rate to the income taxes reflected in the Statements of Operations and Comprehensive Income (Loss) for the three and six months ended December 31, 2013 and 2012, respectively:

Three Months Ended December 31, 2013 and 2012:

December 31, 2013	**U.S.**	**State**	**International**	**Total**
Current	$ -	$ -	$ -	$ -
Deferred	-	-	-	-
Total	$ -	$ -	$ -	$ -

December 31, 2012	**U.S.**	**State**	**International**	**Total**
Current	$ -	$ -	$ -	$ -
Deferred	-	-	-	-
Total	$ -	$ -	$ -	$ -

Reconciliation of the differences between the statutory U.S. Federal income tax rate and the effective rate is as follows:

	2013	**2012**
US statutory tax rate (benefit)	34%	34%
Tax rate difference	(4)%	(4)%
Net operating loss	(30)%	(30)%
Tax expense at actual rate	-%	-%

The following is a reconciliation of income tax expense:

Six Months Ended December 31, 2013 and 2012:

December 31, 2013	U.S.	State	International	Total
Current	$ -	$ -	$ -	$ -
Deferred	-	-	-	-
Total	$ -	$ -	$ -	$ -

December 31, 2012	U.S.	State	International	Total
Current	$ -	$ -	$ -	$ -
Deferred	-	-	-	-
Total	$ -	$ -	$ -	$ -

Reconciliation of the differences between the statutory U.S. Federal income tax rate and the effective rate is as follows:

	2013	2012
US statutory tax rate (benefit)	34%	34%
Tax rate difference	(4)%	(4)%
Net operating loss	(30)%	(30)%
Tax expense at actual rate	-%	-%

Note 11 – SUBSEQUENT EVENTS

Management has evaluated events subsequent through February 13, 2014 for transactions and other events that may require adjustment of and/or disclosure in such financial statements.

- On January 12, 2014, the Company received $250,000 from Raymond Key in consideration of its Secured Convertible Note in the principal amount of $250,000 (the "Convertible Note"). The Convertible Note bears interest at the rate of 9% per annum and is due on the first anniversary of the date of issuance, January 12, 2015.

  All or any portion of the principal amount of the Convertible Note and all accrued interest is convertible at the option of the holder into common stock of the Company at a conversion price of thirty cents ($0.30) per share, provided that if the Volume Weighted Average Price (VWAP) for the 30 days immediately preceding the receipt of a conversion notice is less than sixty cents ($.60) per share, the conversion price shall be reduced to twenty cents ($.20) per share.

- The Company and Mr. Macpherson and Ms. Macpherson have agreed that the shares issuable pursuant to their employment agreements will not be delivered to them until such time as each of them and the Company have determined that this is an appropriate and tax means of compensating them for their efforts.

EXHIBIT 99.3

BANJO and MATILDA

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

(UNAUDITED)

INDEX TO UNAUDITED FINANCIAL STATEMENTS

BANJO & MATILDA TRUST
BALANCE SHEETS
SEPTEMBER 30, 2013 AND JUNE 30, 2013

	September 30, 2013 (Unaudited)	June 30, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ -	$ 11,104
Trade receivables, net	169,151	11,120
Inventory	405,109	329,598
Other assets	107,812	78,505
TOTAL CURRENT ASSETS	682,072	430,327
NON-CURRENT ASSETS		
Intangible assets	42,348	43,310
Other receivable	105,012	142,658
Property, plant and equipment	8,612	7,324
TOTAL NON-CURRENT ASSETS	155,972	193,292
TOTAL ASSETS	$ 838,044	$ 623,619
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade and other payables	$ 264,177	$ 395,802
Bank overdraft	3,087	-
Deposit payable	12,278	-
Line of credit	93,410	93,968
Accrued interest	15,749	13,063
TOTAL CURRENT LIABILITIES	388,701	502,833
NON-CURRENT LIABILITIES		
Loan from related parties	638,977	293,640
TOTAL NON-CURRENT LIABILITIES	638,977	293,640
TOTAL LIABILITIES	1,027,678	796,473
STOCKHOLDERS' EQUITY		
Common Stock, no par and 117 and 117 shares issued and outstanding, respectively	246,581	246,581
Other accumulated comprehensive gain (loss)	47,483	51,106
Accumulated deficit	(483,698)	(470,541)
TOTAL STOCKHOLDERS' EQUITY	(189,634)	(172,854)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 838,044	$ 623,619

The accompanying notes are an integral part of these financial statements

BANJO & MATILDA TRUST
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(UNAUDITED)

	2013	2012
Revenue	$ 529,214	$ 600,419
Cost of sales	342,293	368,291
Gross profit	186,921	232,128
Payroll and employee related expenses	82,237	46,889
Administration expense	32,652	29,323
Marketing expense	20,940	12,601
Occupancy expenses	9,484	12,469
Depreciation and amortization expense	3,231	2,326
	148,544	103,608
Income from operations	38,377	128,520
Other Income (Expense)		
Other income	-	13,741
Finance costs	(51,534)	(39,158)
Total Other Expense	(51,534)	(25,417)
(Loss) income before income tax	(13,157)	103,103
Provision for income taxes	-	-
Net (loss) income	(13,157)	103,103
Other comprehensive income		
Foreign currency translation	(3,623)	(10,610)
Comprehensive (loss) income	$ (16,780)	$ 92,493
Net (loss) income per share from net (loss) income		
Basic	$ (112)	$ 1,031
Diluted	$ (112)	$ 1,031
Weighted average number of shares outstanding:		
Basic	117	100
Diluted	117	100

The accompanying notes are an integral part of these financial statements

BANJO & MATILDA TRUST
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(UNAUDITED)

	2013	2012
Net (loss) income	$ (13,157)	$ 103,103
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	3,231	2,326
(Increase) / decrease in assets:		
Trade receivables	(155,084)	(138,012)
Inventory	(67,857)	105,066
Other assets	(27,289)	(6,858)
Other receivable	39,743	39,858
Increase/ (decrease) in current liabilities:		
Trade payables and other liabilities	(134,587)	(122,142)
Deposits payable	12,066	(88,602)
Net cash used in operating activities	(342,934)	(105,261)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	-	(4,808)
Purchase of property, plant and equipment	(2,577)	-
Net cash used in investing activities	(2,577)	(4,808)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdraft	3,034	-
Proceed from issuance of stock	-	-
Loan from related party	333,711	100,018
Repayment on loan payable	(2,358)	30,990
Net cash provided by financing activities	334,387	131,008
Effect of exchange rate changes on cash and cash equivalents	20	57
Net (decrease) / increase in cash and cash equivalents	(11,104)	20,996
Cash and cash equivalents at the beginning of the period	11,104	4,061
Cash and cash equivalents at the end of the period	-	$ 25,057
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the year for:		
Income tax payments	$ -	$ -
Interest payments	$ 20,522	$ 4,524

The accompanying notes are an integral part of these financial statements

Note 1 – BASIS OF PRESENTATION AND ORGANIZATION

Banjo & Matilda Trust ("the Company") was incorporated under the laws of Australia on May 27, 2009 and manufactures and sells cashmere fashion. Headquartered at Bondi Beach, the Aussie lifestyle of sun, sand and surf resonates innately with this label and its philosophy of low maintenance, style and comfort.

The ultra-soft cashmere staples, pairing simplicity with cool sophistication has rapidly gained loyal customers worldwide positioning the label as the 'go-to' for contemporary cashmere products.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying financial statements were prepared in conformity with generally accepted accounting principles in the United States of America ("US GAAP").

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to U.S. GAAP rules and regulations for presentation of interim financial information. Therefore, the unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the years ended June 30, 2013 and 2012. Current and future financial statements may not be directly comparable to the Company's historical financial statements. Accordingly, the results of operations for the interim period are not necessarily indicative of the results to be expected for any other interim period or for the full year.

Exchange Gain (Loss)
During the three months ended September 30, 2013 and 2012, the transactions of the Company were denominated in foreign currency and were recorded in Australian dollar (AUD) at the rates of exchange in effect when the transactions occurred. Exchange gains and losses are recognized for the different foreign exchange rates applied when the foreign currency assets and liabilities are settled.

Foreign Currency Translation and Comprehensive Income (Loss)
The accounts of the Company were maintained, and its financial statements were expressed, in AUD. Such financial statements were translated into USD with the AUD as the functional currency. All assets and liabilities were translated at the exchange rate at the balance sheet date, stockholder's equity is translated at the historical rates and income statement items are translated at the average exchange rate for the period. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Any differences between the initially recorded amount and the settlement amount are recorded as a gain or loss on foreign currency transaction in the statements of operations. The resulting translation adjustments are reported under other comprehensive income as a component of shareholders' equity. There were no significant fluctuations in the exchange rate for the conversion of AUD to USD after the balance sheet date.

Use of Estimates
The preparation of financial statements in conformity with US GAAP requires management to make certain 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. Actual results could differ from those estimates. Significant estimates include collectability of accounts receivable, accounts payable, sales returns and recoverability of long-term assets.

Reportable Segment
The Company has one reportable segment. The Company's activities are interrelated and each activity is dependent upon and supportive of the other. Accordingly, all significant operating decisions are based on analysis of financial products provided as a single global business.

Liquidity Matters
Based upon its current projection of revenue, management believes that its current cash position and available financing provide sufficient resources and operating flexibility through at least the next twelve months. However, there can be no assurance that projected revenue growth and improvement in operating results will occur or that the Company will successfully implement its plans. In the event cash flow from operations is not sufficient, additional sources of financing will be required in order to maintain the Company's current operations. Whereas management believes it will have access to other financing sources, no assurance can be given that such additional sources of financing will be available on acceptable terms, on a timely basis or at all.

Revenue Recognition
Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. Revenue generally is recognized net of allowances for returns and any taxes collected from customers and subsequently remitted to governmental authorities.

Cost of Sales
Cost of sales consists primarily of inventory costs, as well as warehousing costs (including the cost of warehouse labor), third party royalties and research, design and development costs.

Operating Overhead Expense
Operating overhead expense consists primarily of payroll and benefit related costs, rent, depreciation and amortization, professional services, and meetings and travel.

Income Taxes
The Company utilizes FASB Accounting Standards Codification (ASC) Topic 740, Income Taxes, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that were included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company follows FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, (codified in FASB ASC Topic 740). When tax returns are filed, it is likely that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest associated with unrecognized tax benefits is classified as interest expense and penalties are classified in selling, general and administrative expenses in the statements of income.

At September 30, 2013 and 2012, the Company had not taken any significant uncertain tax positions on its tax returns for 2012 and prior years or in computing its tax provision for 2013.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are cash, accounts receivable and other receivables arising from its normal business activities. The Company places its cash in what it believes to be credit-worthy financial institutions. The Company has a diversified customer base, most of which are in Australia. The Company controls credit risk related to accounts receivable through credit approvals, credit limits and monitoring procedures. The Company routinely assesses the financial strength of its customers and, based upon factors surrounding the credit risk, establishes an allowance, if required, for uncollectible accounts and, as a consequence, believes that its accounts receivable credit risk exposure beyond such allowance is limited.

Risks and Uncertainties

The Company is subject to risks from, among other things, competition associated with the industry in general, other risks associated with financing, liquidity requirements, rapidly changing customer requirements, limited operating history, foreign currency exchange rates and the volatility of public markets.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and legal counsel assess such contingent liabilities, and such assessment inherently involves judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material would be disclosed. Loss contingencies considered to be remote by management are generally not disclosed unless they involve guarantees, in which case the guarantee would be disclosed.

Cash and Equivalents

Cash and equivalents include cash in hand and cash in demand deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. At September 30, 2103 and June 30, 2013, the Company had $0 and $11,104 in cash in Australia and not covered by insurance. The Company has not experienced any losses in such accounts and believes it is not exposed to any risks on its cash in bank accounts.

Allowance for Doubtful Accounts

The Company maintains reserves for potential credit losses on accounts receivable. Management reviews the composition of accounts receivable and analyzes historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. There were allowances for doubtful accounts as of September 30, 2103 and June 30, 2013.

Inventory

Inventories are valued at the lower of cost (determined on a weighted average basis) or market. Management compares the cost of inventories with the market value and allowance is made to write down inventories to market value, if lower. As of September 30, 2013 and June 30, 2013, inventory only consisted of the following:

	September 30, 2013	June 30, 2013
Work in progress	$ 160,229	$ 124,492
Finished goods	225,152	194,324
Raw materials	19,728	10,782
	$ 405,109	$ 329,598

Property, Plant & Equipment

Property and equipment is stated at cost and depreciated using the straight-line method over the shorter of the estimated useful life of the asset or the lease term. The estimated useful lives of our property and equipment are generally as follows: computer software developed or acquired for internal use, three to 10 years; computer equipment, two to three years; buildings and improvements, five to 15 years; leasehold improvements, two to 10 years; and furniture and equipment, one to five years.

As of September 30, 2013 and June 30, 2013, Plant and Equipment consisted of the following:

	September 30, 2013	June 30, 2013
Plant and Equipment	$ 24,906	$ 23,305
Accumulated Depreciation	(16,294)	(14,531)
	$ 8,612	$ 8,774

Depreciation was $1,341 and $1,454 for 2013 and 2012, respectively.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity," and ASC 815.

As of September 30, 2013 and June 30, 2013, the Company did not identify any assets and liabilities that are required to be presented on the balance sheet at fair value.

Earnings Per Share (EPS)

Basic EPS is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed similar to basic net income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if all the potential common shares, warrants and stock options had been issued and if the additional common shares were dilutive. Diluted EPS is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method for the outstanding options and the if-converted method for the outstanding convertible preferred shares. Under the treasury stock method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Under the if-converted method, convertible outstanding instruments are assumed to be converted into common stock at the beginning of the period (or at the time of issuance, if later).

The following table sets for the computation of basic and diluted earnings per share for period ended September 30, 2013 and 2012:

	2013	2012
Basic and Diluted:		
Net (loss) income	$ (13,157)	$ 103,103
Weighted average number of shares in computing basic and diluted net (loss) income		
Basic	117	100
Diluted:	117	100
Net (loss) income per share		
Basic and diluted:	$ (112)	$ 1,031

Intangible Assets

The Company records identifiable intangible assets at fair value on the date of acquisition and evaluates the useful life of each asset.

Finite-lived intangible assets primarily consist of software development capitalized. Finite-lived intangible assets are amortized on a straight-line basis and are tested for recoverability if events or changes in circumstances indicate that their carrying amounts may not be recoverable. These intangibles have useful lives ranging from 1 to 10 years. No events or changes in circumstances indicate that impairment existed as of September 30, 2013.

Recently Issued Accounting Pronouncements

In July 2013, the FASB issued an accounting standards update intended to provide guidance on the presentation of unrecognized tax benefits, reflecting the manner in which an entity would settle, at the reporting date, any additional income taxes that would result from the disallowance of a tax position when net operating loss carryforwards, similar tax losses, or tax credit carryforwards exist. This accounting standard will be effective for the Company beginning June 1, 2014; early adoption is permitted. The Company has early adopted this guidance and the adoption did not have a material impact on the Company's consolidated financial position or results of operations.

Note 4 – OTHER ASSETS

Other assets consist of the following as of September 30, 2013 and June 30, 2013:

	September 30, 2013	June 30, 2013
VAT paid	$ 97,275	$ 68,168
Prepaid and other assets	10,537	10,337
	$ 107,812	$ 78,505

Note 5 – OTHER RECEIVABLE

Other assets consist of the following as of September 30, 2013 and June 30, 2013:

	September 30, 2013	June 30, 2013
Development grant	$ 105,012	$ 98,792
Other receivable	-	43,866
	$ 105,012	$ 142,658

Note 6 – INTANGIBLE ASSETS

Intangible assets consist of the following as of September 30, 2013 and June 30, 2013:

	September 30, 2013	June 30, 2013
Website	$ 48,299	$ 47,371
Accumulated amortization	(5,951)	(4,061)
	$ 42,348	$ 43,310

The intangible assets are amortized over 1 to 10 years. Amortization expense was $1,890 and $872 for the three months ended September 30, 2013 and 2012 respectively.

Note 7 – TRADE AND OTHER PAYABLES

As of September 30, 2013 and June 30, 2013, trade and other payable are comprised of the following:

	September 30, 2013	June 30, 2013
Trade payable	$ 183,537	$ 334,776
Employee benefits	45,405	33,085
Other liabilities	35,235	27,941
	$ 264,177	$ 395,802

Note 8 – LINE OF CREDIT

The Company has line of credit available with a financial institution in Australia with a maximum limit of AUD $100,000 at an interest rate of 20.95% per annum. As of September 30, 2013 and June 30, 2013, the Company had outstanding balances of $93,410 and $93,968, respectively.

Note 9 – LOANS

Convertible Loan
During the three month ended September 30, 2013 the company entered into two convertible loan arrangements totalling $325,000 with an individual at an annual interest rate of thirty percent (30%). Interest expense on these loans was $11,972 during the three months ended September 30, 2013.

Related Party Loans

The Company has loans payable in the amount of $324,154 and $293,640 to a shareholder of the Company as of September 30, 2013 and 2013, respectively. Interest is at three percent (3%) per annum. Interest expense on these loans for the three months ended September 30, 2013 was $2,610.

	September 30, 2013	June 30, 2013
Related party loan	$ 638,977	$ 293,640
	$ 638,977	$ 293,640

Note 10 – INCOME TAX

The following is a reconciliation of the provision for income taxes as the US federal income tax rate to the income taxes reflected in the Statements of Operations and Comprehensive Income (Loss) for the three months ended September 30, 2013 and 2012, respectively:

September 30, 2013	**U.S.**	**State**	**International**	**Total**
Current	$ -	$ -	$ -	$ -
Deferred	-	-	-	-
Total	$ -	$ -	$ -	$ -

September 30, 2012	**U.S.**	**State**	**International**	**Total**
Current	$ -	$ -	$ -	$ -
Deferred	-	-	-	-
Total	$ -	$ -	$ -	$ -

Reconciliation of the differences between the statutory U.S. Federal income tax rate and the effective rate is as follows:

	2013	**2012**
US statutory tax rate (benefit)	34%	34%
Tax rate difference	(4)%	(4) %
Net operating loss	(30)%	(30) %
Tax expense at actual rate	-%	-%

Note 11 – SUBSEQUENT EVENTS

Management has evaluated events subsequent through February 7, 2014 for transactions and other events that may require adjustment of and/or disclosure in such financial statements.

- On November 14, 2013, the Company and the shareholders' entered into a Share Exchange Agreement (the "Exchange Agreement") with Banjo & Matilda, Inc. (fta Eastern World Solutions, Inc.)(Registrant) to be acquired. Pursuant to the Exchange Agreement, at the closing of the transaction contemplated thereunder (the "Transaction"), the Company will be a wholly-owned subsidiary of the Banjo & Matilda, Inc.

  In consideration for the purchase of 100% of the issued and outstanding capital stock of the Company under the ExchangeAgreement, the Registrant will issue to the shareholders of the Company an aggregate of 18,505,539 restricted shares of theRegistrant's common stock.

- Subsequent to September 30, 2013, the convertible loan for AUD $325,000 plus interest were all converted into equity.

- A new short term loan for AUD $100,000 was obtained from a shareholder in November 2013. Terms of the note were interest rate at 15% per annum or .0329% per day due 30 days from the loan date. The short term note was converted into a 30 day callable convertible note in January 2014.

- On January 12, 2014, the Company received $250,000 from Raymond Key in consideration of its Secured Convertible Note in the principal amount of $250,000 (the "Convertible Note"). The Convertible Note bears interest at the rate of 9% per annum and is due on the first anniversary of the date of issuance, January 12, 2015.

  All or any portion of the principal amount of the Convertible Note and all accrued interest is convertible at the option of theholder into common stock of the Company at a conversion price of thirty cents ($0.30) per share, provided that if theVolume Weighted Average Price (VWAP) for the 30 days immediately preceding the receipt of a conversion notice is less than sixty cents ($.60) per share, the conversion price shall be reduced to twenty cents ($.20) per share.

EXHIBIT 99.4

UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined balance sheets as of September 30, 2013 and June 30, 2013 combines the balance sheets of the Registrant and Banjo & Matilda as of that date assuming the acquisition took place on June 30, 2013. The pro forma condensed combined income statements for the three months ended September 30, 2013 and the year ended June 30, 2013 are based on historical income statements of the Registrant and Banjo & Matilda and assumes the acquisition had occurred on July 1, 2012.

We are providing this information to aid you in your analysis of the financial aspects of the Registrant. These unaudited pro forma condensed financial statements should be read in conjunction with the financial statements of the Registrant and the related notes thereto, included elsewhere in this Report. The unaudited pro forma information is not necessarily indicative of the results of operations that may have actually occurred had the acquisition taken place on the dates noted, or the future financial position or operating results of the combined company.

BANJO & MATILDA AND SUBSIDIARY
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
SEPTEMBER 30, 2013

	Banjo & Matilda Trust	Eastern World Solutions, Inc.	Combined Historical		Proforma Adjustments	Combined Pro Forma
CURRENT ASSETS						
Cash and cash equivalents	$ -	$ -	$ -			$ -
Trade and other receivables, net	169,151	-	169,151			169,151
Inventory	405,109	-	405,109			405,109
Other current assets	107,812	-	107,812			107,812
TOTAL CURRENT ASSETS	682,072	-	682,072			682,072
NON-CURRENT ASSETS						
Investment in subsidiary				1	4,626,385	-
				2	(4,626,385)	
Intangible assets, net	42,348	-	42,348			42,348
Other receivable	105,012	-	105,012			105,012
Property and equipment, net	8,612	-	8,612			8,612
TOTAL NON-CURRENT ASSETS	155,972	-	155,972			155,972
TOTAL ASSETS	$ 838,044	$ -	$ 838,044			$ 838,044
CURRENT LIABILITIES						
Trade and other payables	$ 264,177	$ 6,164	$ 270,341			$ 270,341
Trade financing	93,410	-	93,410			93,410
Accrued interest	15,749	-	15,749			15,749
Deposit payable	12,278	-	12,278			12,278
Bank overdraft	3,087	31,664	34,751		-	34,751
TOTAL CURRENT LIABILITIES	388,701	37,828	426,529			426,529
NON-CURRENT LIABILITIES						
Loan from related party	638,977	-	638,977			638,977
TOTAL NON-CURRENT LIABILITIES	638,977	-	638,977			638,977
TOTAL LIABILITIES	1,027,678	37,828	1,065,506			1,065,506
STOCKHOLDERS' EQUITY						
Common stock - $0.00001 par value, 100,000000 shares	246,581	115	246,696	1	185	264
authorized, 26,436,484 pro forma shares outstanding				2	(246,581)	
				3	460	
				4	(496)	
Additional paid in capital	-	76,304	76,304	1	4,626,200	212,357
				2	(4,490,183)	
				3	(460)	
				4	496	
Accumulated deficit	(466,918)	(110,379)	(577,297)	2	110,379	(466,918)
Current income (loss)	(16,780)	(3,868)	(20,648)		-	(20,648)
Accumulated other comprehensive income (loss)	47,483	-	47,483			47,483
TOTAL STOCKHOLDERS' EQUITY	(189,634)	(37,828)	(227,462)			(227,462)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 838,044	$ -	$ 838,044			$ 838,044

Pro Forma Adjustments

#1 Investment in subsidiary	4,626,385	
Common stock		185
Additional paid in capital		4,626,200
To record investment for Banjo. Issuance of 18,505,539 at $0.25 per share		

#2	Investment in subsidiary		4,626,385
	Common stock	246,581	
	Accumulated deficit		110,379
	Additional paid in capital	4,490,183	
	To remove investment during consolidation and adjust equity for reverse merger		
#3	Common stock		460
	Additional paid in capital	460	
	Stock dividend declared on October 3, 2014		
#4	Common stock	496	
	Additional paid in capital		496
	Contribution of shares to capital by majority shareholder prior to the share exchange		

BANJO & MATILDA AND SUBSIDIARY
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
JUNE 30, 2013

	Banjo & Matilda Trust	Eastern World Solutions, Inc.	Combined Historical		Proforma Adjustments	Combined Pro Forma
CURRENT ASSETS						
Cash and cash equivalents	$ 11,104	$ -	$ 11,104			$ 11,104
Trade and other receivables, net	11,120	-	11,120			11,120
Inventory	329,598	-	329,598			329,598
Deferred tax	-	-	-			-
Other current assets	78,505	-	78,505			78,505
TOTAL CURRENT ASSETS	430,327	-	430,327			430,327
NON-CURRENT ASSETS						
Investment in subsidiary				1	4,626,385	-
				2	(4,626,385)	
Intangible assets, net	43,310	-	43,310			43,310
Other receivable	142,658	-	142,658			142,658
Property and equipment, net	7,324	-	7,324			7,324
TOTAL NON-CURRENT ASSETS	193,292	-	193,292			193,292
TOTAL ASSETS	$ 623,619	$ -	$ 623,619			$ 623,619
CURRENT LIABILITIES						
Trade and other payables	$ 395,802	$ 7,123	$ 402,925			$ 402,925
Trade financing	93,968	-	-			-
Accrued interest	13,063	-	13,063			13,063
Advances	-	26,837	26,837		-	26,837
TOTAL CURRENT LIABILITIES	502,833	33,960	536,793			536,793
NON-CURRENT LIABILITIES						
Loan from related party	293,640	-	293,640			293,640
TOTAL NON-CURRENT LIABILITIES	293,640	-	293,640			293,640
TOTAL LIABILITIES	796,473	33,960	830,433			830,433
STOCKHOLDERS' EQUITY						
Common stock	246,581	115	246,696	1	185	264
$0.00001 par value, 100,000000 shares				2	(246,581)	
authorized, 26,436,484 pro forma shares						
outstanding				3	460	
				4	(496)	
Additional paid in capital	-	76,304	76,304	1	4,626,200	246,317
				2	(4,456,223)	
				3	(460)	
				4	496	
Accumulated deficit	(492,293)	(76,419)	(568,712)	2	76,419	(492,293)
Current income (loss)	21,752	(33,960)	(12,208)		-	(12,208)
Accumulated other comprehensive income (loss)	51,106	-	51,106			51,106
Treasury stock	-	-	-			-
TOTAL STOCKHOLDERS' EQUITY	(172,854)	(33,960)	(206,814)			(206,814)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 623,619	$ -	$ 623,619			$ 623,619

Pro Forma Adjustments

#1 Investment in subsidiary	4,626,385	
Common stock		185
Additional paid in capital		4,626,200
To record investment for Banjo. Issuance of 18,505,539 at $0.25 per share		

#2	Investment in subsidiary		4,626,385
	Common stock	246,581	
	Accumulated deficit		76,419
	Additional paid in capital	4,456,223	
	To remove investment during consolidation and adjust equity for reverse merger		
#3	Common stock		460
	Additional paid in capital	460	
	Stock dividend declared on October 3, 2014		
#4	Common stock	496	
	Additional paid in capital		496
	Contribution of shares to capital by majority shareholder prior to the share exchange		

BANJO & MATILDA AND SUBSIDIARY
UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013
UNAUDITED

	Banjo & Matilda Trust	Eastern World Solutions, Inc.	Combined Historial	Proforma Adjustments		Pro Forma
Revenue, net	$ 529,214	$ -	$ 529,214	-		$ 529,214
Cost of sales	342,293	-	342,293			342,293
Gross profit	186,921	-	186,921			186,921
Operating expenses:						
Payroll expenses	82,237	-	82,237			82,237
Administration expenses	32,652	3,868	36,520	-		36,520
Marketing expense	20,940	-	20,940			20,940
Occupancy expenses	9,484					
Depreciation and amortization expenses	3,231	-	3,231			3,231
Total operating expenses	148,544	3,868	142,928			142,928
Income (loss) from operations	38,377	(3,868)	34,509			34,509
Other income (expense)						
Finance costs	(51,534)	-	(51,534)	-		(51,534)
Total other income (expense)	(51,534)	-	(51,534)			(51,534)
Income (loss) before income tax provision	(13,157)	(3,868)	(17,025)			(17,025)
Income tax provision	-	-	-			-
Net income (loss)	$ (13,157)	$ (3,868)	$ (17,025)			$ (17,025)
Earnings per share:						
Basic	$ (131.570)	$ (0.00)	$ (0.00)			$ (0.00)
Diluted	$ (131.570)	$ (0.00)	$ (0.00)			$ (0.00)
Weighted average number of shares outstanding:						
				(49,569,055)	4	
				46,000,000	3	
Basic	100	11,500,000	11,500,100	18,505,439	1	26,436,484
				(49,569,055)	4	
				46,000,000	3	
Diluted	100	11,500,000	11,500,100	18,505,439	1	26,436,484

Pro Forma Adjustments

#1 To effect shares issued upon reorganization
The Company did not include potentially dilutive shares issued or outstanding as the effect of those shares would have resulted in an anti dilutive.
#2 Stock dividend declared on October 3, 2013
#3 Contribution of shares to capital by majority shareholder prior to the share exchange

BANJO & MATILDA AND SUBSIDIARY
UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED

	Banjo & Matilda Trust	Eastern World Solutions, Inc.	Combined Historial	Proforma Adjustments		Pro Forma
Revenue, net	$ 1,724,181	$ -	$ 1,724,181	-		$ 1,724,181
Cost of sales	977,086	-	977,086			977,086
Gross profit	747,095	-	747,095			747,095
Operating expenses:						
Payroll expenses	240,450	-	240,450			240,450
Administration expenses	195,422	33,960	229,382	-		229,382
Marketing expense	88,826	-	88,826			88,826
Occupancy expenses	47,518					
Depreciation and amortization expenses	8,821	-	8,821			8,821
Total operating expenses	581,037	33,960	567,479			567,479
Income (loss) from operations	166,058	(33,960)	132,098			132,098
Other income (expense)						
Interst income	1	-	1			1
Other income	52,585	-	52,585			52,585
Finance costs	(196,892)	-	(196,892)	-		(196,892)
Total other income (expense)	(144,306)	-	(144,306)			(144,306)
Income (loss) before income tax provision	21,752	(33,960)	(12,208)			(12,208)
Income tax provision	-	-	-			-
Net income (loss)	21,752	(33,960)	(12,208)			(12,208)
Earnings per share:						
Basic	$ 217.520	$ (0.00)	$ (0.00)			$ (0.00)
Diluted	$ 185.915	$ (0.00)	$ (0.00)			$ (0.00)
Weighted average number of shares outstanding:						
				(49,569,055)	4	
				46,000,000	3	
Basic	100	11,500,000	11,500,100	18,505,439	1	26,436,484
				(49,569,055)	4	
				46,000,000	3	
Diluted	117	11,500,000	11,500,100	18,505,439	1	26,436,484

Pro Forma Adjustments

#1 To effect shares issued upon reorganization
The Company did not include potentially dilutive shares issued or outstanding as the effect of those shares would have resulted in an anti dilutive.
#2 Stock dividend declared on October 3, 2013
#3 Contribution of shares to capital by majority shareholder prior to the share exchange

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1 – Basis for Pro Forma Presentation

The accompanying condensed combined pro forma financial statements illustrate the effect of the acquisition which was effective on November 14, 2013 between Eastern World Solutions, Inc. (Company), and Banjo & Matilda Trust (Banjo) on the Company's financial position and results of operations. The pro forma condensed combined balance sheets as of September 30, 2013 and as of June 30, 2013 are based on the historical balance sheets of the Company and Banjo as of that date. The pro forma condensed combined balance sheet assumes the acquisition took place as of the earliest balance sheet presented, June 30, 2013.

The pro forma condensed combined income statements for the three months ended September 30, 2013 and for the year ended June 30, 2013 are based on the historical income statements of Banjo and the Company, and assumes the acquisition took place on July 1, 2012.

The pro forma condensed combined financial statements may not be indicative of the actual results of the acquisition and there can be no assurance that the foregoing results will be obtained. In particular, the pro forma condensed combined financial statements are based on the Company’s acquisition on November 14, 2013. The actual may differ.

The accompanying pro forma condensed combined financial statements should be read in conjunction with the historical financial statements of the Company and Banjo.

Note 2 – Acquisition

Eastern World Group, Inc. is an early stage company and was organized to engage in creating, marketing and selling of proprietary engagement marketing technologies and or acquiring complementary technologies and or other companies focused on the development and marketing of such technologies.

Banjo & Matilda Trust was formed in 2009 as a chartered proprietary limited entity in New South Wales, Australia. Banjo designs, produces, markets, distributes and sells luxury cashmere fashion.

The Reorganization has been accounted for as a reverse merger with Banjo being treated as the accounting acquirer.

Note 3 – Pro Forma Adjustments

Certain adjustments have been made to the historical financial statements in order to prepare the pro forma financial information as if the transaction had occurred at the beginning of the fiscal periods presented.

The adjustments are as follows:

(1) To record stock issuance of 18,505,539 common shares for the acquisition of Banjo at $0.25 per share.

(2) To eliminate the investment in subsidiary during consolidation and adjust equity for the reverse merger.

(3) To record stock dividend declared on October 3, 2014 of 46,000,000 common shares.

(4) To record contribution of shares to capital by majority shareholder prior to the share exchange of 49,569,055 shares of common stock.