PACIFIC SOFTWARE, INC.
Form 10-Q
May 15, 2013

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

FORM 10-Q

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

For the quarterly period ended March 31, 2013

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

For the transition period from _______________ to _______________

Commission File Number: 001-34379

PACIFIC SOFTWARE, INC.
(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	41-2190974 (I.R.S. Employer Identification No.)
123 West Nye Lane, Suite 129, Carson City, Nevada (Address of principal executive offices)	89706 (Zip Code)

(905)-833-9845
(Registrant's telephone number, including area code)

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

Yes þ . No o

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

(Check one):

Large accelerated filer	o.	Accelerated filer	o.
Non-accelerated filer	o. (Do not check if a smaller reporting	Smaller reporting	þ.

company) company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes þ. No o.

Indicate the number of shares outstanding of each of the issuer’s classes of common equity, as of the latest practicable date: 4,049,000 shares of common stock issued and outstanding at March 31, 2013.

PACIFIC SOFTWARE, INC.
FORM 10-Q

QUARTERLY PERIOD ENDED MARCH 31, 2013

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A Note About Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on management's current expectations. These statements may be identified by their use of words like "plans," "expect," "aim," "believe," "projects," "anticipate," "intend," "estimate," "wi "could" and other expressions that indicate future events and trends. All statements that address expectations or projections about the future, including statements about our business strategy, expenditures, and financial results, are forward-looking statements. We believe that the expectations reflected in such forward-looking statements are accurate. However, we cannot assure you that such expectations will occur.

Actual results could differ materially from those in the forward-looking statements due to a number of uncertainties including, but not limited to, those discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations. Factors that could cause future results to differ from these expectations include general economic conditions; further changes in our business direction or strategy; competitive factors; market uncertainties; additional regulatory burdens; and an inability to attract, develop, or retain consulting or managerial agents or independent contractors. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives requires the exercise of judgment.

To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements. You should not unduly rely on these forward-looking statements, which speak only as of the date of this Quarterly Report. Except as required by law, we are not obligated to release publicly any revisions to these forward-looking statements to reflect events or circumstances occurring after the date of this report or to reflect the occurrence of unanticipated events.

Pacific Software Inc.
(A Development Stage Company)
Balance Sheets

	March 31, 2013 (Unaudited)	September 30, 2012 (Audited)
ASSETS		
Current		
Cash	$ -	$ -
Total assets	$ -	$ -
LIABILITIES AND SHAREHOLDER’S DEFICIENCY		
Current		
Accounts payable and accrued liabilities	$ 58,611	$ 49,090
Accrued interest – related parties	18,105	12,754
Due to related parties – Notes 5 and 7	122,318	100,614
Total current liabilities	199,034	162,458
Total liabilities	199,034	162,458
SHAREHOLDERS’ DEFICIENCY		
Common stock – Note 6		
Authorized:		
100,000,000 common shares authorized, $0.001 par value		
10,000,000 preferred shares authorized, $0.001 par value		
4,049,000 common shares issued and outstanding at March 31, 2013 and September 30, 2012	4,049	4,049
Additional paid-in capital	142,841	142,841
Deficit accumulated during the development stage	(345,924)	(309,348)
Total shareholders’ (deficiency)	(199,034)	(162,458)
Total liabilities and shareholders’ deficiency	$ -	$ -

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

Pacific Software Inc.
(A Development Stage Company)
Unaudited Statement of Operations

	For the Three Months Ended		For the Six Months Ended		For the Period from October 12, 2005 (Date of Inception) to
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013
Expenses					
Depreciation	$-	$-	$-	$-	$532
Impairment of technology rights	-	-	-	-	14,151
Interest	2,810	1,644	5,351	3,293	20,311
Management and consultant fees	7,500	367	7,500	1,367	34,185
Office and general	-	-	-	-	6,690
Professional fees	9,205	4,766	23,410	20,746	245,390
Transfer and filing fees	185	1,385	315	3,618	19,413
Website development	-	-	-	-	5,250
Total expenses	19,700	8,162	36,576	29,024	345,922
Net (loss)	$(19,700)	$(8,162)	$(36,576)	$(29,024)	$(345,922)
(Loss) per weighted average number of shares outstanding during the period (basic and diluted)	$(0.005)	$(0.002)	$(0.009)	$(0.007)	
Weighted average number of shares outstanding during the period (basic and diluted)	4,049,000	4,049,000	4,049,000	4,049,000	

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

Pacific Software Inc.
(A Development Stage Company)
Unaudited Statements of Cash Flows

	For the Six Months Ended March 31, 2013	For the Six Months Ended March 31, 2012	For the Period from October 12, 2005 (Date of Inception) to March 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES :			
Net loss	$(36,576)	$(29,024)	$(345,923)
Adjustments to reconcile net loss to net cash used in operating activities:			
Accounts payable	9,521	8,131	58,611
Depreciation	-	-	1,060
Changes in non-cash working capital items	5,351	3,293	18,105
Change in related party notes	-	-	35,105
Net cash used in operating activities	(21,704)	(17,600)	(233,042)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment	-	-	(1,060)
Net cash provided by investing activities	-	-	(1,060)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock	-	-	142,115
Advances from related party	21,704	17,600	47,041
Cash used in settlement of promissory note	-	-	44,946
Net cash provided by financing activities	21,704	17,600	234,102
Net increase in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of period	$-	$-	$-
Cash and cash equivalents at end of period	$-	$-	$-
Supplemental Schedule of Cash Flow Information:			
Cash paid for interest	$-	$-	$2,074
Cash paid for taxes	$-	$-	$-

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

PACIFIC SOFTWARE INC.
(A Development Stage Company)
Notes to Unaudited Condensed Financial Statements
March 31, 2013

Note 1 Nature and Continuance of Operations

Basis of presentation

The accompanying interim condensed financial statements are unaudited, but in the opinion of management of Pacific Software, Inc. (the Company), contain all adjustments, which include normal recurring adjustments, necessary to present fairly the financial position at March 31, 2013, the results of operations and cash flows for the three and six months ended March 31, 2013 and 2012 and date of inception (October 12, 2005) to March 31, 2013. The balance sheet as of September 30, 2012 is derived from the Company's audited financial statements.

Certain information and footnote disclosures normally included in financial statements that have been prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission, although management of the Company believes that the disclosures contained in these financial statements are adequate to make the information presented therein not misleading. For further information, refer to the financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2012, as filed with the Securities and Exchange Commission.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

The results of operations for the six months ended March 31, 2013 are not necessarily indicative of the results of operations to be expected for the full fiscal year ending September 30, 2013.

Description of business

The Company was incorporated in the State of Nevada, United States of America on October 12, 2005 and its fiscal year end is September 30. The Company is in the development stage and had acquired the rights to a software package named LargeFilesASAP software and the LargeFilesASAP.com domain name. To date no revenues have been generated. The Company has ceased pursuing its software venture, returned the rights to a related party in exchange for assumption of debt, and is currently in the market for an acquisition or merger.

Recent Developments

On March 15, 2013, John G. Simmonds was appointed as a director of the Company and on April 15, 2013, Mr. Simmonds was appointed as Chairman, CEO and President of the Corporation.

On April 15, 2013, Henry J. Kloepper was appointed as a member of the board of directors of the Company and Carrie J. Weiler was appointed as a member of the board of directors and corporate secretary of the Company. Also on April 15, 2013, the Company accepted the resignation of Bruce Thomsen as President, Secretary and Director.

On May 9, 2013, entered into an agreement to acquire all of the outstanding shares of A & F Conveyors Limited, o/a A & F Industries (collectively referred to as "A & F"), a metal fabrication company based near Toronto, Canada.

Under the terms of the agreement, Pacific Software will issue nine million common shares and three million common share warrants (with vesting requirements and terms to be agreed upon) in exchange for 100% of the shares of A & F. There are currently 4,049,000 issued and outstanding shares of Pacific. Upon completion of the share exchange and issuance of the 9,000,000 common shares to the shareholders of A&F, Pacific will have 13,049,000 common shares issued and outstanding.

The closing of the transaction is subject to completion of the transaction documents, audit of A & F, and any regulatory approvals. Closing is anticipated to occur on or before June 14, 2013

Going Concern

These financial statements have been prepared on a going concern basis. The Company has accumulated a deficit of $345,924 since inception and further losses are anticipated in developing the Company's business plans. The ability to continue as a going concern is dependent upon raising the necessary capital to develop its business, to meet its obligations and repay its liabilities arising from normal business operations when they come due and ultimately upon generating profitable operations. The outcome of these matters cannot be predicted with any certainty at this time. These factors raise substantial doubt that the Company will be able to continue as a going concern. Management plans to continue to provide for its capital needs by the issuance of common stock and related party advances. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

Note 2 Summary of Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. Actual results may vary from these estimates.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Development Stage Company
The Company is a development stage company. All losses accumulated since inception have been considered as part of the Company's development stage activities.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments consisting of cash and amounts due to related parties approximate their carrying value due to the short-term maturity of such instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring management's estimates and assumptions are the valuation of technology rights and deferred tax balances.

Technology rights

Software development costs are expensed as incurred until technological feasibility has been established, at which time such costs are capitalized until commercial operations have commenced. These capitalized costs are subject to an ongoing assessment of recoverability based on anticipated future revenues and changes in hardware and software technologies. Software development costs capitalized include direct labour and purchased software expenses incurred after technological feasibility has been established. Amortization of capitalized application software development costs begins upon the commencement of commercial operations. Capitalized costs will be amortized over the estimated product life of three to five years, using the greater of the straight-line method or the ratio of current product revenues to total projected future revenues. At the balance sheet date, management evaluates the net realizable value of the capitalized costs and adjusts the current period amortization for any impairment of the capitalized asset value. In October 2006, the Company capitalized direct costs incurred in the acquisition of its proprietary application software totalling $14,152 (CAD $15,900). The net book value of capitalized application software is reviewed annually for impairment During the year ended September 30, 2009, the Company recorded an impairment in value of $14,151 resulting in the technology rights having a carrying value of $1, which, as of December 31, 2009, were deeded back to the departing CEO in exchange for forgiveness of indebtedness

Foreign Currency Translation

The Company's functional currency and reporting currency is the U.S. dollar. Foreign denominated monetary assets and liabilities are translated to their U.S. dollar equivalents using foreign exchange rates which prevailed at the balance sheet date. Revenue and expenses are translated at average rates of exchange during the year. Related translation adjustments are reported as a separate component of stockholders' equity, whereas gains or losses resulting from foreign currency transactions are included in results of operations.

Net Loss per Share

Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the losses of the Company. Because the Company does not have any potentially dilutive securities diluted loss per share is equal to basic loss per share.

Newly Adopted Accounting Pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not expect the future adoption of any such pronouncements to have a significant impact on its results of operations, financial condition or cash flow.

Note 3 Financial Instruments

The Company adopted new authoritative guidance on October 1, 2008 for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). This guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

Fair value is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including our own credit risk.

In addition to defining fair value, the guidance expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2 – inputs are based upon significant observable inputs other than quoted prices included in Level 1, such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 –	inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The carrying value of the Company’s financial assets and liabilities which consist of cash, accounts payable and accrued liabilities and promissory note payable, in management’s opinion approximate their fair value due to the short maturity of such instruments. There financial assets and liabilities are valued using level 1 inputs.

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Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, exchange or credit risks arising from these financial instruments.

Note 4 Equipment

In December 2009, the company had a change of control. The departing CEO retained the assets he contributed to the company in exchange for negation of debt to him

Note 5 Technology Rights

Pursuant to an Assignment Agreement dated October 30, 2006 (the "Agreement"), the Company acquired from the president of the Company a 100% undivided right in and to a LargeFilesASAP software package, all rights, title and interest in and to the LargeFilesASAP.com domain, and all intellectual property rights related to LargeFilesASAP products and trademarks for $14,152 (CAD$15,900). The $14,152 was paid by way of a promissory note bearing interest at 8% per annum and payable on demand. During the year ended September 30, 2008 the Company repaid the promissory note. During the year ended September 30, 2009, the Company recorded an impairment in value of $14,151 resulting in the technology rights having a carrying value of $1. (2008 - $14,152). As of December 31, 2009, the technology rights were deeded back to the departing CEO in exchange for forgiveness of indebtedness. As of March 31, 2013, there are no technology rights in the company.

Note 6 Capital Stock

The total number of shares authorized to be issued by the Company is 100,000,000 common shares with a par value of $0.001 and 10,000,000 preferred shares with a par value of $0.001.

During the period from October 12, 2005 (inception) to September 30, 2006, the Company issued 3,840,000 shares of common stock for total cash proceeds of $9,600.

During the year ended September 30, 2008, the Company issued 209,000 shares of common stock for total cash proceeds of $104,500.

On December 5, 2009, the company received back and cancelled 3,840,000 from the former president. Also on December 5, 2009, the company issued 3,840,000 shares of restricted stock to 5 related parties, at par value

As at March 31, 2013 and September 30, 2012, the Company had 4,049,000 common shares issued and outstanding. The Company issued no shares during the six month period ended March 31, 2013.

As of March 31, 2013, the company has not granted any stock options or recorded any stock-based compensation.

Note 7 Related Party Transactions

At September 30, 2009, the President of the Company had made cash advances of $15,000 (2008 - $nil). These amounts were unsecured, without interest, with no specified repayment terms.

By agreement dated September 30, 2006, the President of the Company or his private company provided management services to the Company at $424 per month including GST. On January 1, 2008 this agreement was renegotiated to the amount of $525 including GST. During the year ended September 30, 2009, management services of $6,300 (2008 - $5,997) were charged to operations. At September 30, 2009, $3,150 was owing to the President's private company (2008 - $1,575).

These transactions were recorded at the exchange amount which is the amount agreed to by the related parties.

In December 2009, the President of the Company agreed to take the computer asset and the technology rights in exchange for forgiveness of indebtedness owed to him and the return and cancellation of his 3,840,000 shares of stock. In December 2009, the Company issued 3,840,000 shares of restricted stock to five related parties at par value.

During the six months ending March 31, 2013 and 2012, related parties made cash payments on behalf of the company of $21,700 and $17,600 respectively.

Note 8 Subsequent Events

On April 15, 2013, Henry J. Kloepper was appointed as a member of the board of directors of the Company and Carrie J. Weiler was appointed as a member of the board of directors and corporate secretary of the Company. Also on April 15, 2013, the Company accepted the resignation of Bruce Thomsen as President, Secretary and Director.

On May 9, 2013, the Company entered into an agreement to acquire all of the outstanding shares of A & F Conveyors Limited, o/a A & F Industries (collectively referred to as “A & F”), a metal fabrication company based near Toronto, Canada.

Under the terms of the agreement, Pacific Software will issue nine million common shares and three million common share warrants (with vesting requirements and terms to be agreed upon) in exchange for 100% of the shares of A & F. There are currently 4,049,000 issued and outstanding shares of Pacific. Upon completion of the share exchange and issuance of the 9,000,000 common shares to the shareholders of A&F, Pacific will have 13,049,000 common shares issued and outstanding.

The closing of the transaction is subject to completion of the transaction documents, audit of A & F, and any regulatory approvals. Closing is anticipated to occur on or before June 14, 2013

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Forward-Looking Statements.

The following discussion may contain certain forward-looking statements. Such statements are not covered by the safe harbor provisions. These statements include the plans and objectives of management for future growth of the Company, including plans and objectives related to the consummation of acquisitions. The forward-looking statements included herein are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.

The words "we," "us" and "our" refer to the Company. The words or phrases "would be," "will allow," "intends to," "will result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to iden "forward-looking statements." Actual results could differ materially from those projected in the forward looking statements as a result of a number of risks and uncertainties, including but not limited to: (a) limited amount of resources devoted to achieving our business plan; (b) our failure to implement our business plan; (c) our strategies for dealing with negative cash flow; and (d) other risks that are discussed in this report or included in our previous filings with the Securities and Exchange Commission.

THE FOLLOWING PRESENTATION OF OUR MANAGEMENT'S DISCUSSION AND ANALYSIS SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION INCLUDED ELSEWHERE IN THIS REPORT.

General.

We were formed as Pacific Mining, Inc., a Nevada corporation, on October 12, 2005. On November 28, 2006, we changed our name to Pacific Software, Inc. and were engaged in the business of developing and marketing a large file transfer software package named LargeFilesASAP. In December 2009, our management changed, and the new management discontinued our business of developing and marketing LargeFilesASAP.

Our Business.

In December 2009, we ceased operations, and have been, and are now, focusing our efforts on seeking a business opportunity. The Company will attempt to locate and negotiate with a business entity for the merger of that target company into the Company. In certain instances, a target company may wish to become a subsidiary of the Company or may wish to contribute assets to the Company rather than to merge. No assurances can be given that the Company will be successful in locating or negotiating with any target company. The Company will provide a method for a foreign or domestic private company to become a reporting ("public") company whose securities are qualified for trading in the United States secondary market.

Plan of Operation.

We are a start-up, development stage corporation and have not yet generated or realized any revenues from our business operations. Subsequent to the six month period ended March 31, 2013, the Company entered into an agreement to acquire all of the outstanding shares of A & F Conveyors Limited, o/a A & F Industries (collectively referred to as "A & F"), a metal fabrication company based near Toronto, Canada. Established in 1967, A & F is a partner to numerous industries supplying equipment for Water Treatment, Wastewater Treatment, Pulp and Paper, Mining, Nuclear, Energy, Food, Biofuel and recently the addition of Waste Equipment.

The closing of the transaction is subject to completion of the transaction documents, audit of A & F, and any regulatory approvals. Closing is anticipated to occur on or before June 14, 2013.

Results of Operations for the Three-Month Periods Ended March 31, 2013 and March 31, 2012.

We did not generate any revenue for the three-month period ended March 31, 2013 or for the same period in 2012. Our expenses were $19,700 for the three-month period ended March 31, 2013, compared to $8,162 for the same period in 2012. From inception to March 31, 2013, our expenses were $345,922. Our expenses primarily consisted of professional fees, a consulting fee, interest and transfer and filing fees in the current period compared to professional fees, management fees and transfer and filing in the prior period. The increase of expenses of $11,538 is primarily attributed to an increase in legal fees and a onetime consultant fee related to the agreement entered into with A & F.

Results of Operations for the Six-Month Periods Ended March 31, 2013 and.

We did not generate any revenue for the six-month period ended March 31, 2013 or for the same period in 2012. Our expenses were $36,576 for the six-month period ended March 31, 2013, compared to $29,024 for the same period in 2012. Our expenses primarily consisted of professional fees, a consulting fee, interest and transfer and filing fees in the current period compared to professional fees, management fees and transfer and filing in the prior period. The increase of expenses of $7,552 is primarily attributed to a onetime consultant fee related to the agreement entered into with A & F.

Liquidity and Capital Resources.

At March 31, 2013, we had no cash and our total current liabilities consisted of $199,034 in accounts payable and accrued liabilities, of which $140,423 (including $18,105 in interest) was due to a related party for operational expenses and $58,611 was due to various other third parties.

At March 31, 2013, the Company had negative working capital of $199,034 and an accumulated deficit during development stage of $345,924.

For the six month period ended March 31, 2013, the Company used $21,704 in operating activities to fund administrative activities and was provided $21,704 from financing activities as the result of a related party making payments on behalf of the Company.

Satisfaction of Our Cash Obligations for the Next 12 Months

Our financial statements have been prepared assuming that we will continue as a going concern. The Company intends to raise funds either through issuance of notes payable or the sale of its shares. to meet the anticipated cash requirements for operations, funding our growth plans and repayment of debt obligations over the next few quarters. No assurances can be made that these funds will be available on a timely basis or on terms acceptable to the Company.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business. The ability of the Company to continue as a going concern is in doubt and dependent upon achieving a profitable level of operations and on the ability of the Company to obtain necessary financing to fund ongoing operations.

Off-Balance Sheet Arrangements.

At March 31, 2013, we do not have any off-balance sheet arrangements.

ITEM 4. CONTROLS AND PROCEDURES.

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report. There has been no change in the Company's internal control over financial reporting during the quarter ended March 31, 2013, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS

INDEX TO EXHIBITS

Exhibit	Description of Exhibit
10.1	Contribution Agreement, effective as of December 3, 2009, by and between Pacific Software Inc., a Nevada corporation, and Marinus Jellema. (Incorporated by reference to Exhibit 10.1 of our Annual Report on Form 10-K filed February 11, 2010.)
16.1	Letter from Dale Matheson Can-Hilton Labonte LLP, dated February 8, 2010. (Incorporated by reference to Exhibit 16.1 of our Current Report on Form 8-K filed February 8, 2010.)
17.1	Resignation of Harrysen Mittler. (Incorporated by reference to Exhibit 17.1 of our Current Report on Form 8-K filed June 22, 2010.)
17.2	Resignation of Marinus Jellema. (Incorporated by reference to Exhibit 17.2 of our Current Report on Form 8-K filed June 22, 2010.)
31.1*	Certification of President and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of President and Chief Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Revocation Order by the British Columbia Securities Commission, dated September 9, 2010, of its Cease Trade Order, dated January 27, 2010. (Incorporated by reference to Exhibit 99.1 of our Current Report on Form 8-K filed September 10, 2010.)
99.2	Press Release dated September 9, 2010, as released in Canada and filed on the SEDAR System. (Incorporated by reference to Exhibit 99.2 of our Current Report on Form 8-K filed September 10, 2010.)

*Filed herewith.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

PACIFIC SOFTWARE, INC.
(Registrant)

May 15, 2013

/s/John G. Simmonds
John G. Simmonds
Chairman, CEO and President