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American Resources Corp

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

FORM 10-Q

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

For the quarterly period ended: **June 30, 2016**

or

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

For the transition period from _______ to _______

Commission File Number: **000-55456**

NGFC Equities, Inc.

(Exact name of registrant as specified in its charter)

Florida	**46-3914127**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

45 Almeria Avenue
Coral Gables, FL 33134
(Address and Zip Code of principal executive offices)

Registrant's telephone number, including area code: **(305) 430-6103**

Indicate by check mark whether the Issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

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

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 the "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[x]

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

As of August 10, 2016 the registrant had 18,092,674 shares of Class A common stock issued and outstanding and 7,000,000 shares of Class B common stock issued and outstanding.

NGFC EQUITIES, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

Consolidated Balance Sheets (Unaudited)

NGFC Equities, Inc.
Consolidated Balance Sheets
(Unaudited)

	June 30, 2016	September 30, 2015
ASSETS		
Current assets		
Cash and cash equivalent	$ 67,308	$ 87,983
Marketable securities	40,699	50,862
Inventory	4,959	4,156
Total current assets	112,966	143,001
Fixed assets		
Software, net	3,245	3,995
Other assets		
Goodwill	361,049	361,049
Customer list-net of amortization	83,333	120,833
Assets of discontinued operations	569,415	501,391
	1,013,797	983,273
Total assets	$ 1,130,008	$ 1,130,269
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Credit Card payable	$ 11,592	$ 14,387
Deferred revenue	-	33,953
Loan payable officer	-	18,554
Loan Payable Southridge	50,000	-
Accrued liabilities	6,653	1,200
Total current liabilities	68,245	68,094
Stockholders' equity (deficit)		
Preferred stock: $.0001 par value; 10,000,000 shares authorized, no shares issued and outstanding		
Class A Common stock: $.0001 par value; 230,000,000 shares authorized, 18,092,674 and 18,042,674 shares issued and outstanding for the period end	1,809	1,804
Class B Common stock: $.0001 par value; 60,000,000 shares authorized, 7,000,000 shares issued and outstanding for the period end	700	700
Additional paid-in capital	990,187	1,032,692
Accumulated deficit	(509,304)	(513,489)
Total stockholders' equity (deficit)	483,392	521,707
Non Controlling Interest	578,371	540,468
Total Equity	1,061,763	1,062,175
Total liabilities and stockholders' equity (deficit)	$ 1,130,008	$ 1,130,269

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

Consolidated Statements of Operation (Unaudited)

NGFC Equities, Inc.
Consolidated Statements of Operations
(Unaudited)

	9 Months Ended June 30, 2016	9 Months Ended June 30, 2015	3 Months Ended June 30, 2016	3 Months Ended June 30, 2015
Revenue				
Sales	$ 184,800	$ 45,791	$ 39,938	$ 32,591
Cost of good sold				
Purchases - Parts and Materials	75,894	12,359	21,796	12
Total Cost of Good Sold	75,894	12,359	21,796	12
Gross profits	108,906	33,432	18,142	32,579
Operating expenses				
Legal fees	6,515	10,412	1,980	2,462
Accounting fees	17,512	10,050	4,812	3,300
Officer compensation	58,887	32,750	27,250	17,750
Depreciation and amortization	38,250	17,417	12,750	12,750
Consulting fees	26,250	142,750	6,000	136,520
General and administrative	42,752	17,142	17,084	3,258
Total operating expenses	190,166	230,521	69,876	176,040
Loss from operations	(81,260)	(197,089)	(51,734)	(143,461)
Other income/(loss)				
Long term capital loss	(550)	-	-	-
Realized gain on marketable securities	43,407	2,163	9,997	969
Unrealized gain (loss) on marketable securities	(9,517)	(2,693)	12,896	(489)
Dividends received	839	333	304	-
Total other income/(loss)	34,179	(197)	23,197	480
Income (loss) from continuing operations	(47,081)	(197,286)	(28,537)	(142,981)
Income (loss) from discontinued operations	75,790	(426)	75,790	(426)
Net income (loss)	28,709	(197,712)	47,253	(143,407)
Less: Net income (loss) attributable to the Non Controlling Interest	(24,524)	(6,216)	1,715	(8,501)
Net income (loss) attributable to NGFC Shareholders	4,185	(203,928)	48,968	(151,908)
Basic and diluted loss per common share continuing operations	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.01)
Basic and diluted income (loss) per common share discontinued operations	$ 0.00	$ (0.00)	$ 0.00	$ (0.00)
Basic and diluted income (loss) per common share	$ 0.00	$ (0.01)	$ 0.00	$ (0.01)
Basic and diluted weighted average number of common shares outstanding	25,084,432	21,295,485	25,092,674	23,532,610

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

Consolidated Statements of Cash Flows (Unaudited)

NGFC Equities, Inc.
Statements of Cash Flows (Unaudited)

	9 Months Ended June 30, 2016	9 Months Ended June 30, 2015
Cash flows from operating activities:		
Net income (loss)	$ 28,709	$ (197,712)
Adjustments to reconcile net income from continuing operations to cash used in operating activities:		
Depreciation and Amortization	38,250	17,417
Realized gain on marketable securities	44,246	2,237
Unrealized loss on marketable securities	(9,517)	(3,071)
Dividends received	839	333
Stock based compensation	7,500	131,250
Changes in operating assets and liabilities:		
Inventory	(803)	-
Prepaid expenses	-	2,000
Other assets	-	(2,500)
Deferred revenue	(33,953)	-
Accounts payables	5,453	(8,051)
Accrued expenses	(2,795)	3,300
Net cash provided by operating activities	77,929	(54,797)
Investing activities:		
Cash received from ECIL	-	33,335
Loans to related party	-	(1,000)
Purchase of software	-	(4,995)
Purchase of investment	(94,270)	(8,873)
Net cash used in investing activities	(94,270)	18,467
Financing activities:		
Principal payment of shareholder loan	(18,554)	-
Buyback of common stock	-	(15)
Sale of subsidiary interest for cash	-	110,000
Proceeds from sale of common stock	-	144,701
Net cash provided by financing activities	(18,554)	254,686
Net increase (decrease) in cash	(34,895)	218,356
Cash at beginning of period	444,775	82,819
Cash at end of period	$ 409,880	$ 301,175
Supplemental disclosures:		
Cash paid for:		
Interest	$ 1,097	$ -
Income taxes	$ -	$ -
Non cash investing and financing activity		
Net assets purchased from ECIL	$ -	$ 489,444
Sale of subsidiary ownership for subs receivable	$ -	$ 450
Class A shares issued to ECIL	$ -	$ 450,000
Note issued for Equity Agreement	$ 50,000	$ -

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

NOTE 1 – DESCRIPTION OF BUSINESS

We incorporated our Company on October 2, 2013 in the State of Florida under the name "Natural Gas Fueling and Conversion Inc." We changed our name to NGFC Equities, Inc. ("NGFC", "the Company", "we", "our") on February 25, 2015. When we began in October 2013, our primary planned business objective was to construct, own and operate combined gasoline, diesel and natural gas (NG) vehicle fueling and service stations in the United States, along with garages to retrofit gasoline and diesel driven vehicles to run on NG. At each such fueling station we also planned to have a convenience store to serve our customers. We defined each complete fueling service station as an "Operating Unit."

In February 2015 our Board of Directors approved to define the Company's business through three divisions and diversify the operations of the Company to add a health care division and a consulting division.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its controlled affiliates. Intercompany transactions, profits and balances are eliminated in consolidation. We have consolidated the financial statements of ECI-LATAM Inc. (ECIL) that we own 55% of with the financial statements of our Company.

Major Customer

Approximately 70% of the revenue of ECIL for the quarter ended June 30, 2016, came from a single customer.

Inventory

The inventory contains the spare parts ECIL has purchase for resale. We account for them under LIFO.

The accompanying unaudited consolidated financial statements include all accounts of the Company and in the opinion of management, reflect all adjustments, which include all normal recurring adjustments, necessary to state fairly the Company's financial position, results of operations and cash flows for the period from October 1, 2015 to June 30, 2016. The unaudited consolidated financial statements include the accounts of the Company and its controlled affiliates. Intercompany transactions, profits and balances are eliminated in consolidation.

This financial statement period is not an indicative of the results to be expected for the year ending September 30, 2016, or for any other interim period in future. The unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Securities and Exchange Commission ("SEC") Form 10-Q. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The information included in this Form 10-Q should be read in conjunction with information included in the Company's Form 10-K for the fiscal year ended September 30, 2015, filed with the U.S. Securities and Exchange Commission on December 28, 2015.

NOTE 3 – DECONSOLIDATION OF SUBSIDIARY

On May 20, 2016 we deconsolidated NGFC Limited Partnership (NGLP) of which we were the General Partner and received 30% of gains and hence have been consolidating with our company since the inception of NGLP March 24, 2015, since we decided to resign as the general partner allowing NGLP to function as an independent partnership without us managing its business. We have shown the deconsolidation of NGLP under the caption "Assets of discontinued operations" in our balance sheet. NGLP did not have any liabilities. On our income statements of operations we have shown the net results of NGLP under "Income (loss) from discontinued operations." On our cash flow statements we chose the option to Combine cash flows from discontinued operations with cash flows from continuing operations within each cash flow category and add the cash and cash equivalents included in assets held for sale at the beginning and end of the period to the respective balances in the cash line item from the balance sheet and have reconciled the cash balance per cash flow statements with the cash balance per balance sheet as of June 30, 2016 and 2015 on a note to the financial statements.

Following schedule illustrates the Income (loss) from discontinued operations for the periods presented in the financial statements:

	9 Months Ended June 30, 2016	9 Months Ended June 30, 2015	3 Months Ended June 30, 2016	3 Months Ended June 30, 2015
Revenue	-	-	-	-
General & Administrative	$ (2,400)	$ (122)	$ -	$ (122)
Other income (loss)	78,190	(304)	75,790	(304)
Net earnings	$ 75,790	$ (426)	$ 75,790	$ (426)

NOTE 4 – INVESTMENTS IN MARKETABLE SECURITIES

Marketable securities are classified as held-for-trading and are presented in the consolidated balance sheets at fair value.

Per Accounting Standards Codification 820 "Fair Value Measurement", fair values defined establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements.

ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data
Level 3: Unobservable inputs that are not corroborated by market data

The Company has an investment and trading accounts with Interactive Brokers LLC (IB) and keep part of this account in cash and part in marketable securities transferring balance between these two accounts as trades occur.

Marketable securities have been valued at Level 1 and the value of marketable securities as of June 30, 2016 was $40,699 and $50,862 as of September 30, 2015.

For the nine months ended June 30, 2016 and 2015 the realized gains from investment accounts were $43,407 and $2,163 respectively. Unrealized losses from the accounts for corresponding periods were $9,517 and $2,693 respectively. The dividends for the nine months ended June 30, 2016 and 2015 were $839 and $333 respectively.

For the quarters ended June 30, 2016 and 2015 the realized gains from investment accounts were $9,997 and $969 respectively. Unrealized gains for the quarter ending June 30, 2016 was $12,896 and losses for the quarter ending June 30, 2015 was $489. The dividends for the quarters ended June 30, 2016 and 2015 were $304 and $0 respectively.

NOTE 5 – ACQUISITIONS OF ECI-LATAM INC.

As part of our diversification strategy, the Company made an agreement on February 24, 2015 with ECI-LATAM Inc. (ECIL), a Florida Corporation that began its business on March 25, 2014 engaged in installation and maintenance of medical equipment to acquire 55% of its 15,000,000 outstanding shares in exchange for 3,000,000 shares of the Company at $0.15 cents per share. For the period ended September 30, 2015 we have consolidated our financial statements with the financial statements of ECI-LATAM Inc. Following is the Consideration paid and the Purchase Price Allocation of the acquisition:

Consideration	
3,000,0000 Class A Common Stock of NGFC Equities, Inc. at $0.15 cents	$450,000
Recognized amounts of assets acquired	
Customer List	$150,000
Net assets of ECIL	11,730
	161,730
Noncontrolling interest in ECIL	(72,779)
Goodwill	361,049
	$450,000

The Customer List is given a three-year life and will be amortized accordingly. Goodwill is not amortizable under GAAP. As of acquisition date ECIL had $33,335 cash in bank.

Following table illustrates the Proforma profit and loss of the Company for the 3 and 9 months ended June 30, 2015 if ECIL has been acquired as of the first day of each period:

	9 Months Ending June 30, 2015	3 Months Ending June 30, 2015
Revenue	134,959	32,591
Net loss	(208,490)	(142,982)
Net loss per share	(0.01)	(0.01)

NOTE 6 – EQUITY

On November 15, 2015 we gave 50,000 shares of Class A Common Stock to Mr. Nihal Goonewardene, a resident of Maryland, valued at $0.15 cents per share with a total value of $7,500 as consulting fees. Mr. Goonewardene will be involved in seeking out global businesses for us to acquire for cash and stock of our company and also promoting our company with foreign investors.

At a Board of Directors meeting held on February 29, 2016 the Board approved an Equity Line sale of $3,000,000 worth of NGFC shares to Southridge Partners II LP at a 90% discount on $0.40 cents per share, the price at which our shares were sold last on OTCPink. Pursuant to this equity line we filed an S-1 and subsequently a S-1/A (Amendment Number 1) to get SEC effectiveness for Southridge to sell 7,500,000 shares of our Class A Common Stock on March 29, 2016. Our prospectus filed with the SEC to register the stock we plan to sell to Southridge was made effective August 9, 2016.

The Board approved to extend the option of Limited Partners of NGFC Limited Partnership (NGLP) to convert their limited partnership capital with NGLP to restricted shares of NGFC Class A Common Stock at $0.30 cents per share prior to March 31, 2017 at the Board meeting held on February 29, 2016.

NOTE 7- NOTE PAYABLE TO SOUTHRIDGE

We also issued a note for $50,000 to Southridge on March 23, 2016 at 7% interest per annum as payment with reference to the equity agreement in Note 6. This note is payable in total on December 31, 2016 with accrued interest.

We have recorded that amount as Loan payable to Southridge on our balance sheet and have charged additional-paid-in-capital account correspondingly since this is considered a cost of the equity financing and therefore can be treated as a reduction of the proceeds received from the sale of equity to Southridge.

NOTE 8 – RELATED PARTY TRANSACTIONS

On October 28, 2014 Goran Antic the Majority shareholder and the Chief Executive Officer of ECIL loaned to ECIL $30,000 at 5% per annum interest. As of the date of the Company acquired 55% of ECIL the balance was $23,625. For the year ended September 30, 2015 ECIL paid interest expenses of $1,271 and $5,051 of principal payments on that loan and the balance of the loan payable to Mr. Antic as of September 30, 2015 is $18,554. This loan has been fully paid off as of June 30, 2016.

Kazuko Kusunoki, the vice president administration is paid $2,000 in fees per month to handle bookkeeping, computerized filing and system administration. She is the spouse of the CEO Andrew Weeraratne.

NOTE 9 – CASH FLOW STATEMENT

Reconciliation of Cash flow ending cash balance with cash balance in balance sheets	9 Months Ended June 30, 2016	9 Months Ended June 30, 2015
Cash balance per cash flow statement	409,880	301,175
Cash portion held by deconsolidated entity	(342,572)	(213,192)
Cash balance per balance sheet	67,308	87,983

NOTE 10 – SUBSEQUENT EVENTS

On July 11, 2016 we filed an amendment ("Form 8k/A") to the 8k we filed on May 20, 2016 with us resigning as the general partner of NGLP and deconsolidating financial statements of NGLP with NGFC financial statements. This Form 8-K/A was filed to correct following issues cited in the Original Form 8-K:

1. In the Original Form 8-K, under item 2.01, when announcing NGFC resigning as the general partner ("GP") of NGFC Limited Partnership ("NGLP") and appointing I Andrew Weeraratne, the CEO of NGFC as GP and deconsolidating NGLP in our preparation of the financial statements, was called a Spin-off. We would like instead, use the term deconsolidation of NGFC Limited Partnership since defining that event as a Spin-off is not appropriate.
2. We discovered that we have overlooked the fact that according to NGLP Partnership Agreement, NGFC cannot resign as the GP until all Limited Partners ("LPs") are informed in writing giving 30-days notice and as such our Board of Directors at a meeting held on July 10, 2016 decided to withdraw the original resignation made on May 19, 2016 by NGFC to resign as the GP of NGLP and wait for NGFC to resign as GP until after we have informed all LPs the decision of NGFC to resign as GP of NGLP and give LPs the 30-days to respond to that.
3. On the body of the Original Form 8-K, we have stated, "As of May20, 2016, this option has been given to 13 Limited Partners to convert their capital of $485,350 to 1,617,833 shares of NGFC prior to March 31, 2017," it should properly read "As of May 20, 2016, this option has been given to 14 Limited Partners to convert their capital of $535,350 to 1,784,500 shares of NGFC prior to March 31, 2017."
4. On the "Unaudited Proforma Consolidated Statements of Operations for the Six Months Ended March 31, 2016, we made an error on the line "Unrealized loss on marketable securities" where we have added the historical figure with the proforma adjustment instead of subtracting it as required to come up with the

result. We have corrected that with this Amendment.

At a NGFC Board meeting held July 10, 2016, the Board agreed to remain with the resolution to transfer profit interest NGFC had as GP of NGLP to the new GP Mr. Weeraratne, as agreed on the Board meeting on May 19, 2016. Also on July 10, 2016, the Board agreed to stay with the resolution mandated on the May 19, 2016 meeting for NGFC to no longer give the option to any new contributors to the Partnership (or to any new contributions by the current partner of NGLP) to convert that new capital contributed to NGLP to shares of NGFC as allowed under the Partnership agreement prior to May 20, 2016.

Approval of these two clauses we believe eliminated the basis to consolidate NGLP with NGFC as we did from the inception of NGLP even though NGFC will remain as a GP of NGFC after May 20, 2016, until all LPs are given the appropriate time to approve NGFC resigning as GP of NGLP.

On July 20, 2016, NGFC gave a formal 30-days notice to resign as general partner to the limited partners of NGLP as required by the Partnership Agreement.

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

THE FOLLOWING DISCUSSION OF OUR PLAN OF OPERATION AND RESULTS OF OPERATIONS SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND RELATED NOTES TO THE FINANCIAL STATEMENTS INCLUDED ELSEWHERE IN THIS REPORT. THIS DISCUSSION CONTAINS FORWARD-LOOKING STATEMENTS THAT RELATE TO FUTURE EVENTS OR OUR FUTURE FINANCIAL PERFORMANCE. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. THESE RISKS AND OTHER FACTORS INCLUDE, AMONG OTHERS, THOSE LISTED UNDER "FORWARD-LOOKING STATEMENTS" AND "RISK FACTORS" AND THOSE INCLUDED ELSEWHERE IN THIS REPORT.

Overview

NGFC Equities, Inc. ("NGFC", "the Company", "our", "us") began on October 2, 2013 and changed our name from Natural Gas Fueling and Conversion Inc. to NGFC Equities, Inc. on February 25, 2015. When we formed our company our focus was to (i) construct and/or purchase and manage a chain of combined gasoline, diesel and natural gas (NG) fueling and service stations (initially, in the Miami, FL area); (ii) construct conversion factories to convert NG to liquefied natural gas (LNG) and compressed natural gas (CNG); and (iii) construct conversion factories to retrofit vehicles currently using gasoline or diesel fuel to also run on NG in the United States and also to build a convenience store to serve our customers in each of our locations.

At a Board of Directors meeting held on February 16, 2015, the Company chose to diversify its operations by adding two additional divisions to its original business strategy to set up three divisions as follows:

1. Energy and Retail Division
2. Healthcare Division
3. Consulting Division

In general the Company plans to conduct businesses through subsidiaries that we plan to acquire or begin, managed by an experienced management team with NGFC providing administrative and financial support.

On March 24, 2015, the Company set up NGFC Limited Partnership ("NGLP", "the Partnership") with the Company acting as the General Partner. One objective of the Partnership was to raise funds in the private market through any exempt offerings to acquire gasoline stations that the Partnership would lease back to the Company to earn a fixed return. The Partnership also has invested a portion of its funds in the financial markets As stated elsewhere in this 10Q, we deconsolidated NGLP as of May 19, 2016.

Energy and Retail Division

When we began, NGFC, our objective with our Energy and Retail Division was to set up Operating Units that will consist of combined gasoline, diesel and natural gas pumps, along with a garage that we planned to use for general auto repair plus conversion of vehicles to run on natural gas and a convenience store. In securing Operating Units, we were planning to implement two different approaches:

(1) Buy land and build the Operating Units using our own design and architecture; and/or

(2) Acquire currently operating combined gasoline and diesel stations with convenience stores and garages, and then subsequently add NG fueling bays and the equipment for the planned vehicle conversion business as needed.

We have been conducting due diligence on several existing fueling stations in the Miami, Florida area which the Company believes are suitable acquisition targets. However, it remains the Company's preference to purchase land

and build an Operational Unit based on our own designs. In order to acquire any fueling stations or begin building our own operational units we need to raise funds.

On March 29, 2016 we filed a prospectus (FormS-1) with the SEC to make effective an Equity Line purchase arrangement with Southridge Partners II, LP ("Southridge"). SEC made it effective as of August 9, 2016. The Purchase Agreement with Southridge commits Southridge to purchase up to $3 million of our common stock. We may draw on the facility from time to time, as and when we determine appropriate in accordance with the terms and conditions of the Purchase Agreement. This portion was calculated as approximately 33% of the Company's public float as of March 29, 2016. We may use part of the proceeds we receive from Southridge to begin operations in our Energy and Retail Divison, if we came across the right opportunity.

When operating our Operating Units, our initial primary focus will be distributing gasoline and diesel fuel to customers, as we believe that, there are not enough NG driven vehicles in the market at this time to substantiate building only a NG station. We planned to have liquefied natural gas (LNG) and compressed natural gas (CNG) available for NG driven vehicles as we concluded NG vehicles will be as common as gasoline-driven vehicles in the future. Therefore, we wanted to acquire existing gasoline and diesel fueling stations and expand them to include NG fueling capabilities.

As the gas prices have declined significantly lasting more than a year and currently remain quite low, converting any vehicle to run on natural gas at this time may not be worth the cost of such conversion. Therefore we may not proceed with our plans to set up conversion garages anytime in the immediate future. Also we will do additional research before we make the decision to expand any gas stations we buy or build to include NG fueling capabilities due to the same reasons.

On May 18, 2015 we formed Vanguard Energy Inc. (VE) in San Clemente, California as 55% stockholder with an individual Michael Laub as 45% stockholder to conduct some of the business in our Energy and Retail Division through VE. Mr. Laub is the founder and Chief Executive Officer of CNG United LLC based in San Clemente, California that deals in training installation of engines for gasoline vehicles to run on Natural Gas as well as safety and maintenance of hybrid engines and vehicles.

However, there have been no operations in VE to the current date and it appears that VE may not begin any operations in the foreseeable future. Therefore at a of Directors meeting held on January 23, 2016 the board decided to terminate any relationship the Company has with VE and focus on the business of its Energy and Retail Division through parent Company only. Under this new arrangement the Company plans to sign an agreement with Mr. Laub to act as a consultant for the Company with compensation for Mr. Laub to be based on his performance.

Healthcare Division

The Company began the Health Care Division with the acquisition of 55% of ECI-LATAM INC. ("ECIL"), a company incorporated in the State of Florida on March 25, 2014 and is engaged in installation and performing maintenance and repairs of large medical equipment that deal in sterilization and disinfection. ECIL also sells spare parts, consumables and service contracts for medical establishments. As of June 30, 2016 100% of ECIL sales and services are performed outside the USA. Also 100% of the maintenance and repairs from the inception of ECIL to June 30, 2016 have been done only for the medical equipment belonging to Getinge Group, a public company based in Sweden who manufacture and distribute their own large medical equipment.

Consulting Division

Since our strategy mostly involves finding a management team with expertise in the industry that we are seeking to operate, buying an existing business with an experienced management team in place, we believe, is the most practical and ideal strategy. However, due to our size we can afford to buy only small businesses and often these small businesses do not keep proper accounting or internal control procedures to put themselves through an audit under the SEC guidelines set forth by Public Accounting Oversight Board (PCAOB). We discovered that often it would cost too much money for a small business to hire an outside service to prepare their records acceptable enough to be audited by a PCAOB certified CPA firm under the guidelines set forth by PCAOB, precluding us from acquiring such a company due to not being able to conduct an audit of these businesses. We discovered that one way to resolve this problem is for our management team with expertise in accounting and SEC auditing requirements to help the small businesses wish to get their financial records organized and then re-do their financial statements having made all adjustments needed to make them complete.

Our Consulting Division will focus on identifying and organizing currently operating businesses to set up their accounting system to run efficiently with the help of accurate and timely financial and management reports. We also plan to implement internal control procedures that will safeguard their assets and accounting procedures that will make their operation efficient and transparent that in turn will help them in the event they choose to get listed on the public market through joining us or on their own in the future. We also plan to write operating and internal control procedure manuals and disclosure check list manuals that will help small business monitor their activities and disclose those activities to the public as required by the SEC when raising public funds to use for expansion as they find the needed capital to expand. We believe that these services will provide us cash flow and also introduce us to businesses we believe we may be able to acquire in exchange for cash and stock of our company. We believe our current management team has necessary experience to guide small businesses to overcome their problems and build successful businesses.

We plan to charge such businesses our standard rates based on the number of hours we spend on these businesses and expect those businesses to pay our invoices. In the event we decided to acquire any businesses that we would provide consulting services to, we may negotiate with them to credit any unpaid balance of the consulting fees to our acquisition price that we will pay them to acquire their businesses.

NGFC LIMITED PARTNERSHIP

On March 24, 2015, the Company set up NGFC Limited Partnership (“NGLP”, “the Partnership”) with the Company acting as the General Partner. One objective of the Partnership was to raise funds in the private market through any exempt offerings to acquire gasoline stations that the Partnership would lease back to the Company to earn a fixed return. The Partnership also has invested a portion of its funds in the financial markets.

The Board of Directors, at a meeting held on May 19, 2016, approved NGFC to resign as the general partner of NGLP since in the event the investment by NGLP in public company stocks to be more than 40% of the total assets, that may require us to register NGFC under the Investment Company Act of 1940, that we would like to avoid since the purpose of NGFC is to acquire companies to operate through subsidiaries and not be a passive investor while it is more practical for NGLP to make a better return on the money NGLP is holding by investing in any alternative investments while NGLP still consider acquiring land and building that house operating gasoline stations to rent to Energy and Retail division of NGFC to get a fixed return on their money.

At the Board meeting held on May 19, 2016, following resolutions were approved:

1. To appoint I. Andrew Weeraratne the CEO of NGFC as a general partner of NGLP and transfer the profit interest of NGFC to Mr. Weeraratne.
2. To deconsolidate NGLP in filing future financial statements of NGFC.
3. For NGFC to resign as general partner of NGFC.
4. To keep the option the current Limited Partners of NGLP have as of May 20, 2016 to convert 100% of their capital to NGFC shares at $0.30 per shares by March 31, 2017 effective even after deconsolidation of NGLP. If this conversion feature was executed by all 14 limited partners then their total capital (if any of them did not withdraw prior to March 31, 2017) of $535,350 could be converted at $0.30 cents per share to 1,784,500 shares of Class A Common Stock of NGFC.
5. Not to grant this option to convert limited partnership interest to shares of NGFC to any additional contributions to NGLP since NGFC is no longer will consolidate or will be the primary beneficiary of NGLP.

We filed a Form 8-K on May 20, 2016 announcing the above resolutions but later discovered that we made an error when NGFC resigned as general partner of NGLP without giving 30-days written notice to all limited partners as required by the NGLP Partnership Agreement, and therefore we filed an amended Form 8-K on July 11, 2016 withdrawing the resignation of NGFC as general partner.

However, due to other resolutions approved and announced through that Form 8-k filed on May 20, 2015, were according to the partnership agreement, the deconsolidation of NGLP will go ahead as planned since as per Consolidation Topic 810 released on February 2015 by Financial Accounting Standard Board, being general partner of a partnership itself does not require the reporting person to consolidate the partnership. NGFC gave 30-day written notice to all limited partners of NGLP on July 19, 2016 informing NGFC's intention to resign as the general partner of NGFC effective August 19, 2016.

Plan of Operation

Energy and Retail Division

With regard to our Energy and Retail Division the Company has undertaken various activities to implement its business plan, including but not limited to the following:

- Located a few independent gasoline stations with garages and convenience stores with extra land space to build natural gas bays as potential, met with the owners and discussed and negotiated purchasing the land and the business in each location or setting up joint ventures with them with our Company as the majority owner and expand the concept further;

- Discussed with our auditing firm as to audit the independent stations that we would like to acquire, including the time and cost to complete such an audit;

- Engaged a business broker to look for a series of appropriate stations to acquire;

- Had discussion with a few NG equipment installers such as Cryostar USA, Cubo-Gas to get an estimation of the various option available in adding NG bays to an existing service station and a construction company ("Cryostar"), to provide the Company an estimate on building NG fueling stations or expanding current gasoline stations to add NG fueling stations; and

- Met with a business converting vehicles to run both on gasoline and CNG and safety training in the USA to discuss us acquiring the majority ownership with the current managers continuing to operate the business after the purchase.

Management believes that we could establish a presence in this division if we raise approximately $10 million in capital. On March 29, 2016 we filed a prospectus (Form S-1) with the SEC to make effective an Equity Line purchase arrangement with Southridge Partners II, LP ("Southridge"). SEC made it effective as of August 9, 2016. The Purchase Agreement with Southridge commits Southridge to purchase up to $3 million of our common stock. We may draw on the facility from time to time, as and when we determine appropriate in accordance with the terms and conditions of the Purchase Agreement. This portion was calculated as approximately 33% of the Company's public float as of March 29, 2016. We may use part of the proceeds we receive from Southridge to begin operations in our Energy and Retail Divison, if we came across the right opportunity.

In the event we chose not to or are unable to buy the land on which a target acquisition station is built (or, if we acquire an already operating business), our initial purchase costs will be significantly reduced because, depending upon the specific location, the cost of leasing may be as much as $1 million less than the cost of acquisition land with the building. Thus, if we sign long term leases for such stations, our costs will be reduced and we may be able to buy additional stations or build an additional new station. Upon the availability of such proceeds, and in the event we decide to purchase existing stations, we plan to take the following steps to begin our planned operations. We estimate that these activities will be completed and the station opened for business on the following approximated schedule after the availability of such capital:

- Negotiating the price and other necessary matters required to acquire existing gasoline and diesel fueling stations (approx. 30 days);

- Reviewing the existing financial statements for each station and completing audits for the last two years in order to comply with SEC requirements (approx. 90 days);

- Reviewing or setting up the current accounting systems, internal control and other procedures taking into consideration the comments of the auditor (approx. 15 days after acquisition of station);

- Begin operations of the newly acquired gasoline stations (approx. 135 days);

- Consulting with professionals to plan for expansion of the stations to add vehicle conversion garages and NG fueling bays (approx. 60 days after stations are fully operational- total of 195 days);

- Interviewing and engaging a construction contractor (approx. 15 days – total of 210 days);
- Construction of the structural buildings (approx. 90 days – total of 300 days);
- Installation and testing of new equipment which is obtained from an equipment supplier selected through bidding (approx. 30 days after construction is complete – total of 330 days); and
- Hire and train employees (approx. 15 days after equipment is fully installed – total of 345 days).

As shown above, we believe the entire process of having a fully functioning operational unit will take approximately 345 days to become operational, with us breaking even or making cash flow from gasoline and diesel sales and sales in the convenience stores after 135 days. It is possible that operational unit may take longer than another to become operational based on various factors in the routine course of business, and this timeline assumes the possibility of setting up multiple fueling stations concurrently. The above timeline is only estimate for purposes of conveying the Company's planned operations, and actual results may differ.

When we began we believed that natural gas may become as common and popular as gasoline and diesel within 5 to 10 year frame. We decided that even if natural gas became common as a fueling medium for vehicles, gasoline and diesel to still have a market and thus to keep them as part of our operational units. We plan to keep an eye on the impact of vehicles moving from gasoline to natural gas and make the decision at that time to either continue with gasoline and diesel services or discontinue providing gasoline and diesel and focus only on natural gas stations. This decision has to be made in the future based on facts and circumstances at the time.

However, due to recent developments we have to reconsider plans with our Energy and Retail Division carefully. As the gas prices have declined significantly lasting more than a year and currently remain quite low, converting any vehicle to run on natural gas at this time may not be worth the cost of such conversion. Therefore we may not proceed with our plans to set up conversion garages in the immediate future. Also we will do additional research before we make the decision to expand any gas stations we buy or build to include NG fueling capabilities due to the same reasons.

Healthcare Division

We decided to set up a healthcare division since we came across a few private companies in the healthcare industry showing an interest in doing what we have done in setting the stage to get listed on a stock market and thus agreeing to join us as a subsidiary so that they can benefit from being part of us and from our expertise in administrative tasks and fundraising capabilities as a public company to run a successful business. Our exposure to healthcare division, with the purchase of any business in that division would be through the expertise of those who run those businesses at the time we purchase them. Our goal in that instance would be to take care of the administrative and accounting tasks and allow the current management of those companies to operate them as they currently operate.

The Company, ECI-LATAM INC. ("ECIL"), 55% of which we purchased was incorporated in the State of Florida on March 25, 2014 and is engaged in installation and performing maintenance and repairs of large medical equipment that deal in sterilization and disinfection. ECIL also sells spare parts, consumables and service contracts for medical establishments. As of now 100% of ECIL sales and services are performed outside the USA. Also 100% of the maintenance and repairs for the period of these financial statements have been done only for the medical equipment belonging to Getinge Group, a public company based in Sweden who manufacture and distribute their own large medical equipment. Mr. Antic has been talking to other larger Medical Equipment companies to see if

ECIL could take over the maintenance, repair and selling accessories to the users of their equipment also. Most large medical equipment companies have their in-house maintenance company to take care of maintenance and repairs of their equipments. Mr. Antic discovered that often clients prefer to have an independent company with an expert knowledge in the machinery doing such work and thus launched his own company to provide such services. Currently all installation and maintenance work is being done by Goran Antic, the sole employee and the CEO of the company. 100% of revenue of ECIL came from one major client from its inception till the end of September 30, 2015. For the period ending Oct 1, 2015 to June 30, 2016, 70% of the revenue came from one customer. ECIL is currently talking to a few other companies to negotiate contracts to maintain and repair Getinge manufactured medical equipment used by a few other end users in South America and Caribbean.

Also due to the expertise of Mr. Antic in equipment repairs he has come across assembly line manufactured machinery that he can maintain and thus talking to another major company in South America to maintain such machinery and also sell accessories to the end users. It is too early for us to project the outcome of such discussions.

Consulting Division

As a small start-up company our strategy is to look for businesses already in operation, making positive cash flow not having to get into a deficit financing situation and acquire the majority of it, along with the current management team, and provide them a public company platform to raise funds and expand it. As a public company any business we acquire need to be audited under the SEC guidelines set forth by Public Accounting Oversight Board (PCAOB). We discovered that often it would cost too much money for a small business to hire an outside service to prepare their records acceptable enough to be audited by a PCAOB certified CPA firm under the guidelines set forth by PCAOB, precluding us from acquiring such a company due to not being able to audit them. Thus we began our consulting division to help businesses who wish to raise funds from the public market to get their financial records properly organized in order to go through the required auditing process.

We may have competition from CPA firms, management consulting firms and smaller bookkeeping firms when looking for businesses that will require such services. However, we believe that we will have niche market with businesses who wish to raise funds using a public platform under the scrutiny of the SEC. Our objective is to approach global companies with huge potential for expansion but does not have the capital or the sophistication to carry on such an expansion. Yet it is too early for us to project the success of our efforts in this area.

NGFC LIMITED PARTNERSHIP

On March 24, 2015, the Company set up NGFC Limited Partnership (“NGLP”, “the Partnership”) with the Company acting as the General Partner. One objective of the Partnership was to raise funds in the private market through any exempt offerings to acquire gasoline stations that the Partnership would lease back to the Company to earn a fixed return. The Partnership also has invested a portion of its funds in the financial markets.

As stated above we deconsolidated NGLP as of May 19, 2016.

Results of Operation

Our consolidated operations had operating revenues of $184,800 for the nine-months ended June 30, 2016 and $45,791 operating revenue for the nine-months ended June 30, 2015. We have incurred net income in the amount of $4,185 and a net operating loss of $203,928 respectively for the same periods. We have deconsolidated the operations of NGFC Limited Partnership (NGLP) in these financial statements and the income from deconsolidated operations for the period ended June 30, 2016 was $75,790 versus a loss of $426 for the period ended June 30, 2015. For the three months ending June 30, 2016 and 2015 our operating revenues were $39,938 and $32,591 correspondingly. Our net income and net operating loss for the same corresponding periods were $48,968 and $151,908. The income and loss from deconsolidated operations for three-months ended June 30, 2016 and 2015 correspondingly were $75,790 and $426.

From our inception to-date our activities have been primarily financed from the proceeds of a private offering the Company commenced in October 2013 and completed in November 2013 and our Direct Public Offering we began in February 2015 and closed on June 30, 2015.

For the nine months ended June 30, 2016 and 2015, professional fees expenses were $24,027 and $20,462 respectively and the general and administrative expenses were $42,752 and $17,142 respectively. Officer compensation for the nine months ended June 30, 2016 and 2015 were $58,887 and $32,750 respectively and consulting fees for the same periods ended June 30, 2016 (including stock compensation) was $26,250 and $142,750. Depreciation and amortization for the same periods ended June 30, 2016 and 2015 were $38,250 and $17,417 respectively. The increase in amortization for June 30, 2016 reflects the amortization of customer list we purchased with the acquisition of ECIL.

For the three months ended June 30, 2016 and 2015, professional fees expenses were $6,792 and $5,762 respectively and the general and administrative expenses were $17,084 and $3,258 respectively. Officer compensation for the three months ended June 30, 2016 and 2015 were $27,250 and $17,750 respectively and consulting fees for the same periods ended June 30, 2016 (including stock compensation) were $6,000 and $136,520. Depreciation and amortization for the same periods ended June 30, 2016 and 2015 were $12,750 per quarter reflecting the quarterly amortization of customer list we purchased with the acquisition of ECIL.

Liquidity and Capital Resources

For our Energy and Retail division, we will require approximately $5.8 million of available capital for each proposed Operational Unit comprised of a combined gasoline, diesel and NG fueling service station along with a convenience store and a vehicle conversion station.

For the nine months ending June 30, 2016 our net cash flow from operating activities including from the deconsolidated operation was $77,929 while, for the nine months ending June 30, 2015 net cash used by operating activities was $54,797. Net cash used in investing activities for the nine months ending June 30, 2016 was $94,270 while net cash received from investing activities for the nine months ending June 30, 2015 was $18,467. Net cash used in financing activities for the nine months ending June 30, 2016 was $18,554 and net cash provided by financing activities for the nine months ending June 30, 2015 was $254,686.

On March 29, 2016 we filed a prospectus (FormS-1) with the SEC to make effective an Equity Line purchase arrangement with Southridge Partners II, LP ("Southridge"). SEC made it effective as of August 9, 2016. The Purchase Agreement with Southridge commits Southridge to purchase up to $3 million worth of our common stock. We may draw on the facility from time to time, as and when we determine appropriate in accordance with the terms and conditions of the Purchase Agreement. This portion was calculated as approximately 33% of the Company's public float as of March 29, 2016. We may use part of the proceeds we receive from Southridge to begin operations in our Energy and Retail Divison, if we came across the right opportunity.

However, we will need to raise more funds in the future to build a series of Operational Units. We plan to raise such capital through another offering in the future. Until such capital becomes available we plan to continue operations with the funds we have available on hand while seeking additional sources of capital. There can be no assurance that such additional capital will be available.

We believe our operational strategy which focuses on using low overhead costs will avail us to manage our current operational activities for approximately 12 months with the funds we have and plan to collect through our ordinary operations. During the next 12 months or until such time that we raise enough capital to begin building or purchase our Operational Units, we will be using our working capital to attend investors' conferences and tradeshows, participating in road shows to meet with potential investors, traveling to meet with investors and paying professional fees needed to comply with SEC regulations. We believe our monthly burn rate to operate the parent company to be approximately between $4,000 and $5,000. The consolidated Company had approximately $67,308 in cash on hand and $40,699 in marketable securities as of June 30, 2016. We believe we can sustain our operations for approximately 12 months even if we do not raise additional funds within that period. ECIL had $30,776 cash on as of June 30, 2016. ECIL expects its salaries and overhead to be about $7,000 per month and expects to make enough monthly cash flow from maintenance work and sale of accessories to carry on its activities.

In our Energy and Retail Division, if we succeed in opening one or more Operational Units, we anticipate that fuel sales at such stations along with convenience store sales to generate sufficient cash flow to support our operations after the first 10 months. However, this estimate is based on our assumption of raising enough capital to build or acquire one or more gasoline stations and then generating significant revenues from fuel and convenience store sales. There can be no assurance that such sales levels will be achieved. Therefore, we may require additional financing through loans and other arrangements, including the sale of additional equity. There can be no assurance that such additional financing will be available, or if available, can be obtained on satisfactory terms. To the extent that any such financing involves the sale of our equity securities, the interests of our then existing shareholders, could be substantially diluted. In the event that we do not have sufficient capital to support our operations we may have to curtail our operations.

Our officers will provide daily management of our company, including administration, financial management, production, marketing and sales. We will also engage other employees and service organizations to provide services as the need arises. These may include services such as computer systems, sales, marketing, advertising, public relations, cash management, accounting and administration.

As a public company, we will be subject to certain reporting and other compliance requirements of a publicly reporting company. We will be subject to certain costs for such compliance which private companies may not choose to make. We have identified such costs as being primarily for audits, legal services, filing expenses, financial and reporting controls and shareholder communications and estimate the cost to be approximately $30,000 annually if the activities of our Company remain somewhat the same for the next few months. We have included such costs in our monthly cash flow needs and expect to pay such costs from a combination of cash on hand and with some shares of our company and the proceeds of any future offering and cash generated by revenue from our planned Operating Units.

There can be no assurance that we will be able to successfully develop and open any combined gasoline and NG fueling service stations and vehicle retrofitting garages, or otherwise implement any portion of our long term business strategy. We believe that we can control the operating and general and administrative expenses of our operations to be within the cash available from our current offering and from the sales which we may make at any fueling service stations we open. If our initial operations indicate that our business can establish and fulfill a demand for CNG and LNG fueling service stations and converting vehicles to run on NG on a basis which will lead to the establishment of a profitable business, we may seek additional sources of cash to grow the business. We do not currently have any commitments from customers for the use of our proposed fueling service stations or for additional financing.

Other than the potential for the NG market to not develop in the future as the Company currently anticipates, the Company is not aware of any other known trends, demands, commitments, events or uncertainties that will have, or are reasonably likely to have, a material impact on the Company's revenues or income from continuing operations from our Energy and Retail division.

The Company has generated only limited revenue through its healthcare subsidiary and has incurred losses since inception resulting in an accumulated deficit of $509,304 as of June 30, 2016 and $513,489 as of September 30, 2015 and further losses are anticipated in the development of its business. Currently, we have no written or oral communication from stockholders, directors or any officers to provide us any forms of cash advances, loans or sources of liquidity to meet our working capital needs or long-term or short-term financial needs.

On March 23, 2016, the Company executed an agreement for an Equity Line sale of $3,000,000 worth of NGFC shares to Southridge Partners II LP at a 90% discount on $0.40 cents per share, the price at which our shares were sold last on OTCPink. Pursuant to this equity line we filed a S-1 on March 29, 20016 and subsequently a series of S-1/As (Amendments to the S-1) to get SEC effectiveness for Southridge to sell up to 7,500,000 shares of our Class A Common Stock for $3,000,000. We received the effectiveness from the SEC on August 9, 2016 to begin selling our shares to Southridge under this Equity Line.

We issued a note for $50,000 to Southridge as payment with reference to this agreement. We have recorded that amount as Loan payable to Southridge on our balance sheet and have charged additional-paid-in-capital account correspondingly. This loan is payable in full with accrued interest at 7% per annum by December 31, 2016.

Off Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that we are required to disclose pursuant to these regulations. In the ordinary course of business, we enter into operating lease commitments, purchase commitments and other contractual obligations. These transactions are recognized in our financial statements in accordance with generally accepted accounting principles in the United States.

Critical Accounting Policies

The preparation of financial statements requires management to utilize estimates and make judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. The estimates are evaluated by management on an ongoing basis, and the results of these evaluations form a basis for making decisions about the carrying value of assets and liabilities that are not readily apparent from other sources. Although actual results may differ from these estimates under different assumptions or conditions, management believes that the estimates used in the preparation of our financial statements are reasonable. The critical accounting policies affecting our financial reporting are summarized in Note 2 to the financial statements included elsewhere in this report.

Recent Accounting Pronouncements

We determined that all other issued, but not yet effective accounting pronouncements are inapplicable or insignificant to us and once adopted are not expected to have a material impact on our financial position.

Anticipated Future Trends

Due to increase in future supply of NG, we expected NG prices to stay below the prices of gasoline and diesel in the future, making it more attractive for consumers to use NG powered vehicles. We also expect global governments to encourage using NG as an alternative fuel and continue to give both direct and indirect subsidies in the form of tax credits to encourage use of natural gas. We also expect the EPA to make the process of conversion of vehicles to NG to be less stringent as this technology develops further and as the benefits of using NG becomes more readily apparent.

The price of gasoline had been going down in the recent period making it less attractive to focus on building a business that would benefit from the price discrepancy between gasoline and NG at the current time, however, we believe, such low prices to be not a permanent feature in the global economy but in the future to have a fair discrepancy in prices between NG and gasoline. However, it is not certain when an attractive market for NG over gasoline may develop and as such we plan to monitor developments in this field carefully before we proceed with our plans in our Energy and Retail Division.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Because we are a smaller reporting company we are not required to include any disclosure under this item.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in the reports we file pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”) are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our Principal Executive Officer (“PEO”) and Principal Financial Officer (“PFO”), to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide a reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Management designed the disclosure controls and procedures to provide reasonable assurance of achieving the desired control objectives.

We carried out an evaluation, under the supervision and with the participation of our management, including our PEO and PFO, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this quarterly report. Based upon that evaluation, the PEO and PFO concluded that the Company's disclosure controls as of now are not effective to assure that all necessary disclosures have been made. The management is working on a detailed disclosure control check list and plan to hire additional personnel, as the Company secures more funds, to hire such additional staff to correct this situation.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act) during the quarter ended June 30, 2016, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 1A. Risk Factors

Not applicable.

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

None

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Our Board of Directors at a Board meeting held on August 9, 2016 approved NGFC to resign as general partner of NGFC Limited Partnership (NGLP) as of August 19, 2016 having NGFC given 30-days notice to all limited partners of NGLP on July 19, 2016.

Item 6. Exhibits

The following exhibits are filed herewith:

Exhibit No.	Description
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NGFC Equities, Inc.

Date: August 10, 2016

By: */s/ I. Andrew Weeraratne*

Name: I. Andrew Weeraratne
Title: Chief Executive Officer
(Principal Executive Officer)
Chief Financial Officer
(Principal Accounting Officer)
(Principal Financial Officer)

Exhibit 31.1

Rule 13a-14(a)/15d-14(a) Certification

I, I. Andrew Weeraratne, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016 of NGFC Equities Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2016

/s/ I. Andrew Weeraratne
I Andrew Weeraratne
Chief Executive Officer (principal executive officer)

Exhibit 31.2

Rule 13a-14(a)/15d-14(a) Certification

I, Andrew Weeraratne, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, of NGFC Equities Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2016

/s/ I.Andrew Weeraratne
I Andrew Weeraratne
Chief Financial Officer (principal financial and accounting officer)

Exhibit 32.1

Section 1350 Certification

In connection with the Quarterly Report on Form 10-Q of NGFC Equities Inc; (the "Company") for the quarterly period ended June 30, 2016 as filed with the Securities and Exchange Commission (the "Report"), I, I. Andrew Weeraratne, Chief Executive Officer of the Company, and I, I. Andrew Weeraratne, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 10, 2016	/s/ I. Andrew Weeraratne I. Andrew Weeraratne Chief Executive Officer
Date: August 10, 2016	/s/ I. Andrew Weeraratne I Andrew Weeraratne Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.