

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: 2013-01-11 | Period of Report: 2012-11-30  
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FILER

**Earn-A-Car Inc.**

CIK: **1486297** | IRS No.: **271320213** | State of Incorporation: **NV** | Fiscal Year End: **0228**  
Type: **10-Q** | Act: **34** | File No.: **333-165391** | Film No.: **13525183**  
SIC: **7510** Auto rental & leasing (no drivers)

Mailing Address

OFFICE 1 THE FALLS  
CENTRE  
CORNER GREAT NORTH  
AND WEBB  
NORTHMEAD, BENONI 1522  
T3 00000

Business Address

OFFICE 1 THE FALLS  
CENTRE  
CORNER GREAT NORTH  
AND WEBB  
NORTHMEAD, BENONI 1522  
T3 00000  
27-11-425-1666

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

Mark One

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

For the quarterly period ended November 30, 2012

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

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

Commission File No. 333-165391

EARN-A-CAR, INC.

(Name of small business issuer in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

Office 1 The Falls Centre, Corner Great North and Webb, Northmead,  
Benoni 1522, South Africa  
(Address of principal executive offices)

+27 011-425-1666  
(Issuer's telephone number)

Securities registered pursuant to Section 12(b) of the Act: -----	Name of each exchange on which registered: -----
None	NA

Securities registered pursuant to Section 12(g) of the Act:  
Common Stock, \$0.0000001

Indicate by checkmark whether the issuer: (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  No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

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

Applicable Only to Issuers Involved in Bankruptcy Proceedings During the Preceding Five Years. N/A

Indicate by checkmark whether the issuer has filed all documents and reports required to be filed by Section 12, 13 and 15(d) of the Securities Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court. Yes  No

Applicable Only to Corporate Registrants

The number of shares outstanding of each of the issuer's common stock, as of January 8, 2013 was 112,250,000

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
BALANCE SHEETS (unaudited)  
NOVEMBER 30, 2012 AND FEBRUARY 29, 2012

<TABLE>  
<CAPTION>

	November 30, 2012	February 29, 2012
	-----	-----
<S>	<C>	<C>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 791,103	\$ 171,354
Receivables, net	591,533	99,721
	-----	-----
Total Current Assets	1,382,636	271,075
	-----	-----
Property and equipment, net	27,368	14,242
	-----	-----
Revenue-earning vehicles, net	4,408,459	2,982,060
	-----	-----
Other Assets		
Loans to shareholders	0	0
Loan receivable	18,032	15,312
	-----	-----
Total Other Assets	18,032	15,312
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 5,836,495</b>	<b>\$ 3,282,689</b>
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 329,326	\$ 292,447
Accrued expenses	17,100	51,747
Current portion of leases payable	453,116	593,533
Current portion of loans payable	710,736	152,243
	-----	-----
Total Current Liabilities	1,510,278	1,089,970
	-----	-----
Long-term Debt		
Loans from shareholders	0	1,000
Leases payable	762,324	741,582
Loans payable	2,361,753	726,808
	-----	-----
Total Long-term Debt	3,124,077	1,469,390
	-----	-----
Total Liabilities	4,634,355	2,559,360
	-----	-----
Stockholders' Equity		
Common stock, \$0.0000001 par value, 250,000,000 shares authorized, 112,250,000 and 112,250,000 shares issued and outstanding, respectively	11	11
Additional paid in capital	5,423	5,423
Accumulated other comprehensive (loss)	(201,296)	(35,278)
Retained earnings	1,398,002	753,173
	-----	-----
Total Stockholders' Equity	1,202,140	723,329
	-----	-----
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 5,836,495</b>	<b>\$ 3,282,689</b>
	=====	=====

</TABLE>

See accompanying notes to financial statements.

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EARN-A-CAR, INC.  
(formerly Victoria Internet Services, Inc.)  
STATEMENTS OF OPERATIONS (unaudited)  
FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2012 AND 2011

<TABLE>

<CAPTION>

	For the three months ended November 30, 2012	For the three months ended November 30, 2011	For the nine months ended November 30, 2012	For the nine months ended November 30, 2011
<S>	<C>	<C>	<C>	<C>
Revenues				
Vehicle rentals	\$ 1,049,340	\$ 640,583	\$ 2,802,702	\$ 1,870,343
Other	2,076	1,979	5,464	8,579
Total Revenues	1,051,416	642,562	2,808,166	1,878,922
Expenses				
Direct vehicle and operating	277,377	203,293	972,885	713,157
Vehicle depreciation and lease charges	284,613	155,913	665,290	452,466
Selling, general and administrative	142,857	107,486	355,374	306,011
Interest expense	85,411	58,587	185,847	136,199
Total Expenses	790,258	525,279	2,179,296	1,607,833
Operating Income	261,158	117,283	628,770	271,089
Other Income (Expense)				
Interest income	2,380	47	21,268	48
Gain / (loss) from asset disposal	(6,056)	0	(5,209)	0
Total other income (expense)	(3,676)	47	16,059	48
Net Income Before Provision for Income Taxes	257,482	117,330	644,829	271,137
Provision for Income Taxes	0	0	0	0
Net Income	\$ 257,482	\$ 117,330	\$ 644,829	\$ 271,137
Earnings per Share	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
Weighted Average Common Shares Outstanding	112,250,000	44,951,923	112,250,000	18,003,000

</TABLE>

See accompanying notes to financial statements.

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EARN-A-CAR, INC.

(Formerly Victoria Internet Services, Inc.)

STATEMENTS OF OTHER COMPREHENSIVE INCOME (LOSS) (unaudited)

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2012 AND NOVEMBER 30, 2011

<TABLE>

<CAPTION>

	For the three months ended November 30, 2012	For the three months ended November 30, 2011	For the nine months ended November 30, 2012	For the nine months ended November 30, 2011
<S>	<C>	<C>	<C>	<C>
Net Income	\$ 257,482	\$ 117,330	\$ 644,829	\$ 271,137
Foreign Currency Translation Change in cumulative translation adjustment	(56,824)	(98,358)	(166,018)	(94,618)
Total	\$ (56,824)	\$ (98,358)	\$ (166,018)	\$ (94,618)

</TABLE>

See accompanying notes to financial statements.

EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
STATEMENT OF STOCKHOLDERS' EQUITY (unaudited)  
AS OF NOVEMBER 30, 2012

<TABLE>  
<CAPTION>

	Common stock		Paid in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total
	Shares	Amount				
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance February 28, 2009	100	\$ 10	\$ --	\$ 29,931	\$ (229,369)	\$ (199,428)
(Loss) on currency translation	--	--	--	(41,796)	--	(41,796)
Net earnings	--	--	--	--	266,416	266,416
Balance February 28, 2010	100	10	--	(11,865)	37,047	25,192
Common stock issued for cash at par	400	50	--	--	--	50
Gain on currency translation	--	--	--	6,073	--	6,073
Net earnings	--	--	--	--	400,720	400,720
Balance, February 28, 2011	500	60	--	(5,792)	437,767	432,035
(Loss) on currency translation	--	--	--	(29,486)	--	(29,486)
Reorganization adjustment	233,749,500	(35)	5,409	--	--	5,374
Cancellation of stock-former CEO	(121,500,000)	(14)	14	--	--	--
Net income	--	--	--	--	315,406	315,406
Balance, February 29, 2012	112,250,000	11	5,423	(35,278)	753,173	723,329
(Loss) on currency translation	--	--	--	(166,018)	--	(166,018)
Net income	--	--	--	--	644,829	644,829
Balance, November 30, 2012	112,250,000	\$ 11	\$ 5,423	\$ (201,296)	\$1,398,002	\$1,202,140

</TABLE>

See accompanying notes to financial statements.

EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
STATEMENTS OF CASH FLOWS (unaudited)  
FOR THE NINE MONTHS ENDED NOVEMBER 30, 2012 AND NOVEMBER 30, 2011

<TABLE>  
<CAPTION>

	For the nine months ended November 30, 2012	For the nine months ended November 30, 2011
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income and other comprehensive income	\$ 644,829	\$ 271,137
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Change in cumulative translation adjustment	(166,018)	(94,618)
Depreciation	665,290	452,466
Net (Gain) losses from disposition of revenue-earning vehicles	5,209	17,569
Change in Assets and Liabilities:		

(Increase) decrease in receivables	(491,812)	(2,330)
Increase (decrease) in accounts payables	36,879	(46,554)
Increase (decrease) in accrued expenses	(34,647)	(844)
	-----	-----
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	659,730	596,826
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Revenue-earning vehicles:		
Purchases	(2,137,593)	(610,280)
Proceeds from sales	40,695	0
Property, equipment and software:		
Purchases	(13,126)	(1,108)
Loans (extended) collected	(2,720)	(175,344)
	-----	-----
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	(2,112,744)	(786,732)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (Payments on) leases payable (net)	(119,675)	471,943
Proceeds from (Payments on) loans payable (net)	2,193,438	(89,022)
Proceeds from (Payments on) shareholder loans (net)	(1,000)	(97,879)
	-----	-----
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES	2,072,763	285,042
	-----	-----
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	619,749	95,136
Cash, beginning of period	171,354	69,480
	-----	-----
Cash, end of period	\$ 791,103	\$ 164,616
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 185,847	\$ 136,199
	=====	=====
Cash paid for income taxes	\$ 0	\$ 0
	=====	=====

</TABLE>

See accompanying notes to financial statements.

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EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2012

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Earn-A-Car, Inc. (formerly Victoria Internet Services, Inc.) was incorporated in the State of Nevada on October 9, 2009. The company was organized to operate as an online tax preparation service in the North American market. On December 7, 2011, prior to commencing those operations, the company has opted to change its business focus to the daily rental of vehicles in the South African market.

On December 7, 2011, a simultaneous execution and closing was held under an Agreement and Plan of Reorganization (the Plan), by and among Victoria Internet Services, Inc. (the "Company" "us" "we" ), Leon Golden (our then principal shareholder) ("Golden") and Earn-A-Car (PTY), LTD., a corporation organized under the laws of the Republic of South Africa ("EAC") and Depassez Investments Ltd, a Seychelles corporation ("DPL"), owned by Graeme Hardie (our new principal shareholder) ("Hardie").

Under the Plan DPL acquired 78,500,000 shares of our common stock from Golden for \$150,000 and the balance of Golden's 205,000,000 shares were submitted to the transfer agent for cancellation and DPI contributed all of the shares of EAC to the Company so that EAC became a wholly owned subsidiary of the Company and the business of the Company is now the business of EAC. Mr. Golden also resigned as an officer and director of the Company and John Storey ("Storey") and Hardie were elected as directors and Storey was appointed CEO and President with Hardie being appointed Chairman of the board.

On February 10, 2012 the Company filed an amendment with the Secretary of State for Nevada to gain permission to change its name from Victoria Internet Services, Inc. to Earn-A-Car, Inc. In conjunction with the name change the Company also filed to have a new symbol on the Over The Counter Bulletin Board (OTCBB). As of March 8, 2012 the Company no longer is listed with the symbol VRIS, and is now listed on the OTCBB as EACR.

Earn-A-Car (PTY) LTD - The wholly owned subsidiary was incorporated in South Africa on July 2, 2005, and is primarily engaged in the business of the daily rental of vehicles to business and leisure customers through company-owned stores in the country of South Africa. On July 18, 2011, its name was changed from "EasyCars Rental and Sales (PTY) Ltd." to "Earn-A-Car (PTY) Ltd.".

Earn-A-Car Assets (Pty) LTD. - The wholly owned subsidiary was incorporated in South Africa on August 8, 2011 under the name Civiwize (Pty) Ltd. Currently the name is in the process of being changed to Earn-A-Car Assets (Pty) Ltd. This company operates as the holding company for all vehicles purchased using specific bank funding and will lease those vehicles solely to the parent company.

Basis of Presentation- The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and are presented in U.S. Dollars. In the opinion of management, all adjustments necessary in order for the financial statements to be not misleading have been reflected herein. The Company has selected a February 28 year end.

Estimates - The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results could differ materially from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand and on deposit, including highly liquid investments with initial maturities of three months or less. At November 30, 2012 and February 29, 2012 the Company had \$791,103 and \$171,354 in cash and cash equivalents, respectively.

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EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2012

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)

Allowance for Doubtful Accounts - An allowance for doubtful accounts is generally established during the period in which receivables are recorded. The allowance is maintained at a level deemed appropriate based on loss experience and other factors affecting collectability. As at November 30, 2012 and February 29, 2012 the Company had \$228,627 and \$264,189 in impaired receivables, respectively. The allowance for these impaired receivables was \$164,295 for fiscal year ended February 29, 2012.

Financing Issue Costs - Financing issue costs related to vehicle debt are deferred and amortized to interest expense over the term of the related debt using the effective interest method.

Receivables and Payables- Trade receivables and payables are measured at initial recognition at fair value, and are subsequently measured using the effective interest rate method of valuation. Appropriate allowances for estimated uncollectible receivable balances are recognized in profit or loss when there is evidence of impairment.

Revenue-Earning Vehicles and Related Vehicle Depreciation Expense - Revenue-earning vehicles are stated at cost, net of related discounts.

The Company must estimate what the residual values of these vehicles will be at the expected time of disposal to determine monthly depreciation rates. The estimation of residual values requires the Company to make assumptions regarding the age and mileage of the car at the time of disposal, as well as the general used vehicle auction market. The Company evaluates estimated residual values periodically, and adjusts depreciation rates accordingly, on a prospective basis.

Differences between actual residual values and those estimated by the Company result in a gain or loss on disposal and are recorded as an adjustment to depreciation expense. Actual timing of disposal either shorter or longer than the life used for depreciation purposes could result in a loss or gain on sale. Generally, the average holding term for vehicles is approximately 7 years.

Property and Equipment - Property and equipment are recorded at cost and are depreciated using principally the straight-line method over the estimated useful

lives of the related assets. Estimated useful lives generally range from ten to thirty years for buildings and improvements and two to seven years for furniture and equipment. Leasehold improvements are amortized over the estimated useful lives of the related assets or leases, whichever is shorter. The average useful lives of fixed assets are as follows:

Motor vehicles	6 years
Computer equipment	3 years
Computer software	2 years
Leased assets - motor vehicles	6 years

Long-Lived Assets - The Company reviews the value of long-lived assets, including software, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable based upon estimated future cash flows and records an impairment charge, equaling the excess of the carrying value over the estimated fair value, if the carrying value exceeds estimated future cash flows.

Foreign Currency Translation - The Company's functional currency is the South African Rand, the translation into US dollars is the presentation bases of these financial statements. Foreign assets and liabilities are translated using the exchange rate in effect at the balance sheet date, and results of operations are translated using an average rate for the period. Translation adjustments are accumulated and reported as a component of accumulated other comprehensive income or loss.

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EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2012

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)

Revenue Recognition - Revenues from vehicle rentals are recognized as earned on a daily basis under the related rental contracts with customers. We also charge upfront administrative fees, which are non-refundable and fully earned at inception of the rental period, and which are recorded as income at the start of the rental period which is month to month.

Advertising Costs - Advertising costs are primarily expensed as incurred. During the nine months ended November 30, 2012 and November 30, 2011, the Company incurred advertising expense of \$66,802 and \$9,714, respectively.

Income Taxes - The Company has provided for income taxes on its separate taxable income or loss and other tax attributes. Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The Company has no tax liability in the United States.

Earnings Per Share - Basic earnings per share ("EPS") is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted EPS is based on the combined weighted average number of common shares and common share equivalents outstanding which include, where appropriate, the assumed exercise of options. There were no such common stock equivalents outstanding at November 30, 2012. Earnings per share and weighted average shares outstanding as of November 30, 2011 have been adjusted in these financial statements to reflect the November 14, 2011 stock split.

Other Comprehensive Income (Loss) - Comprehensive income (loss) consists of net income (loss) and other gains and losses affecting stockholder's equity that, under GAAP, are excluded from net income (loss), including foreign currency translation adjustments, gains and losses related to certain derivative contracts, and gains or losses, prior service costs or credits, and transition assets or obligations associated with pension or other postretirement benefits that have not been recognized as components of net periodic benefit cost.

Stock-Based Compensation- Stock-based compensation is accounted for at fair value in accordance with SFAS No. 123 and 123 (R) (ASC 718). To date, the Company has not adopted a stock option plan and has not granted any stock options.

New Accounting Standards - The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.



2. REVENUE-EARNING VEHICLES

Revenue-earning vehicles consist of the following:

	November 30, 2012	February 29, 2012
	-----	-----
Revenue-earning vehicles	\$ 5,675,646	\$ 4,028,709
Less accumulated depreciation	(1,267,187)	(1,046,649)
	-----	-----
	\$ 4,408,459	\$ 2,982,060
	=====	=====

Rent expense for vehicles leased under operating leases was \$0 and \$0 for the nine months ending November 30, 2012 and November 30, 2011, respectively, and is included in vehicle depreciation and lease charges, net.

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EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2012

3. PROPERTY AND EQUIPMENT

Major classes of property and equipment consist of the following:

	November 30, 2012	February 29, 2012
	-----	-----
Computer equipment	\$ 30,379	\$ 17,757
Computer software	4,840	5,649
	-----	-----
	35,219	23,406
Less accumulated depreciation	(7,851)	(9,164)
	-----	-----
	\$ 27,368	\$ 14,242
	=====	=====

During the nine months ended November 30, 2012 and 2011, the Company recorded no provisions for the impairment of assets.

4. LOANS RECEIVABLE

At November 30, 2012 and February 29, 2012, the Company has a receivable due under a settlement agreement with a former employee with a balance of \$18,032 and \$15,312, respectively. This loan is to be repaid with interest of 10% in 48 equal installments of about \$425; the payments began in March, 2011.

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EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2012

5. DEBT AND OTHER OBLIGATIONS

Debt and other obligations consist of the following:

<TABLE>  
<CAPTION>

	November 30, 2012	February 29, 2012
	-----	-----
<S>	<C>	<C>
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	\$ 22,744	\$ 26,546
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	11,372	--
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	56,859	66,366
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	43,781	90,257

Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	71,795	104,373
Loan payable - other - unsecured, interest bearing, no fixed repayment terms	204,317	252,488
Loan payable - bank- Secured by company vehicles, bearing an interest rate of JIBAR plus 5% per annum, payable in quarterly installments beginning 9/30/12	2,606,034	--
Loan payable - Jay & Jayendra (Pty) Ltd. Secured by company vehicles, bearing an interest rate of the prime rate, payable within 12 months	--	159,278
Loan payable - other - unsecured, 2% per month interest, repayable within 60 days after year end, subject to default immediate repayment stipulation	--	119,458
Loan payable - other - unsecured, interest bearing, no fixed repayment terms	28,087	60,285
Loan payable- other- from EAC Inc per trial balance PBC	27,500	0
	-----	-----
Total	\$3,072,489	\$ 879,051
Current portion of loans payable	710,736	152,243
	-----	-----
Long-term portion of loans payable	\$2,361,753	\$ 726,808
	=====	=====

</TABLE>

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EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2012

5. DEBT AND OTHER OBLIGATIONS (continued)

Expected maturities of debt and other obligations outstanding at November 30, 2012 are as follows:

<TABLE>  
<CAPTION>

	Loan Amounts	Lease Amounts	Total
	-----	-----	-----
<S>	<C>	<C>	<C>
Year ending November 30, 2013	\$ 710,736	\$ 453,116	\$1,163,852
Year ending November 30, 2014	975,147	362,987	1,338,134
Year ending November 30, 2015	947,648	291,215	1,238,863
Year ending November 30, 2016	--	108,122	108,122
Year ending November 30, 2017	--	--	--
Thereafter	438,958	--	438,958
	-----	-----	-----
Total	\$3,072,489	\$1,215,440	\$4,287,929
	=====	=====	=====

</TABLE>

Installment sales and lease contracts are secured by installment sales and finance lease agreements over revenue generating vehicles, having 2012 carrying values of \$1,961,559 and \$370,640 respectively. These installment sales and lease contracts are repayable in monthly installments for 2012 of \$16,704 and \$1,115 respectively.

6. PROVISION FOR INCOME TAXES

The Company has no obligation for any federal or state income taxes in the United States. Further, no provision has been made for taxes in South Africa, which has a corporate income tax rate of 28%, for the years ended February 29, 2012 and February 28, 2011 because the taxable losses and loss carryovers exceed the income in those years. At February 29, 2012 and February 28, 2011, respectively, the Company had net losses of approximately \$379,175 and \$431,567 available in South Africa that can be carried forward to offset future taxable income. Due to the uncertainty of future taxable income, the Company has recorded a valuation allowance of 100% of the deferred tax asset, so that our

deferred tax asset at both November 30, 2012 and February 29, 2012 was \$0.

7. EQUITY

On November 14, 2011 the Company filed a certificate of amendment to the articles of incorporation which caused a 50 for 1 forward common stock split and an increase in authorized common shares to 250,000,000.

On January 19, 2012 the Company cancelled 121,500,000 shares of common stock that were held by Leon Golden, the former owner of Victoria Internet Services, Inc.

As of November 30, 2012 and February 29, 2012 there were 112,250,000 and 112,250,000 common shares outstanding, respectively.

The Company is authorized to issue 20,000,000 preferred shares of stock. As of November 30, 2012 and February 29, 2012 there were no (0) shares outstanding.

8. COMMITMENTS AND CONTINGENCIES

OPERATING LEASES

The Company operates from various leased premises under operating leases with terms up to 5 years. Some of the leases contain renewal options. No contingent rent is payable.

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EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2012

Expenses incurred under operating leases for the period were as follows:

	November 30, 2012	February 29, 2012
	-----	-----
Operating leases:		
Premises	\$ 45,108	\$ 6,487
Motor vehicles	--	6,965
	-----	-----
	\$ 45,108	\$ 13,452
	=====	=====

8. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future minimum rentals and fees under non-cancelable operating leases for the 12 month periods are presented in the following table:

November 30, 2013	\$65,633
November 30, 2014	\$65,633
November 30, 2015	\$65,633
November 30, 2016	\$65,633
November 30, 2017	\$65,633

At November 30, 2012, the Company had no outstanding vehicle purchase commitments over the next twelve months.

9. RELATED PARTY TRANSACTIONS

The Company engages in activities with parties who hold ownership in the Company. The Company borrows funds from related parties and pays consulting fees to related parties. The related party transactions are as follows:

	November 30, 2012	February 29, 2012
	-----	-----
Loans payable to shareholders:		
Cobalt Capital (Pty) Ltd.	\$ 0	\$ 0
G. Yannakopoulos	0	0
G. Hardie	0	1,000
	-----	-----
Total loans payable to related parties	\$ 0	\$ 1,000
	=====	=====
Loans receivable from shareholders		
Cobalt Capital (Pty) Ltd.	\$ 0	\$ 0

M. DuPlessis	0	0
G. Yannakopoulos	0	0
	-----	-----
Total loans receivable from related parties	\$ 0	\$ 0
	=====	=====
Compensation paid to directors		
M. DuPlessis	0	52,482
G. Yannakopoulos	0	52,482
	-----	-----
	\$ 0	\$104,964
	=====	=====

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EARN-A-CAR, INC.  
(Formerly Victoria Internet Services, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2012

10. SUBSEQUENT EVENTS

The Company has analyzed its operations subsequent to November 30, 2012 through the date these financial statements were issued, and has determined that it does not have any material subsequent events to disclose.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

MANAGEMENTS DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking" statements as such term is defined in the Private Securities Litigation Reform Act of 1995 and information relating to the Company that is based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. When used in this report, the words "anticipate," "believe," "estimate," "expect" and "intend" and words or phrases of similar import, as they relate to the Company or Company management, are intended to identify forward-looking statements. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including, without limitations, competitive factors, general economic conditions, customer relations, relationships with vendors, the interest rate environment, governmental regulation and supervision, seasonality, distribution networks, product introductions and acceptance, technological change, changes in industry practices, onetime events and other factors described herein and in other filings made by the Company with the Securities and Exchange Commission. Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not intend to update these forward-looking statements.

RESULTS OF OPERATIONS

OVERVIEW

Our plan of operation for 2013 is to continue to expand our business to meet demand for our services. We have purchased an additional 81 vehicles in the last quarter and the fleet size at the end of the quarter was 636 vehicles (2012 08: 577) of which 553 were rented out (2012 08:460). The additional vehicles have substantially increased our annuity and revenues. Management believe the increase in fleet size will increase income over the next few quarters and expect to continue to regularly increase the fleet through 2013.

QUARTER ENDED NOVEMBER 30, 2012 V. QUARTER ENDED NOVEMBER 30, 2011

Revenues increased from \$642,562 in Q3 of FY 2012 to \$1,051,416 in Q3 of FY 2013 an increase of \$408,854 or 64 %. Our operating expenses went from \$525,279 in Q3 of FY 2012 to \$790,258 in Q2 of FY 2013 an increase of \$264,979 or 50%. Expenses rose largely as a consequence of the direct costs related to the purchasing of vehicles and the additional depreciation on vehicles due to the increased fleet size. Net income increased from \$117,330 in Q3 of FY 2012 to \$257,482 in Q3 of FY 2013. The company will seek additional funding in last quarter of 2013, to enable the company to continue to grow in the next year.

LIQUIDITY AND CAPITAL RESOURCES

We had total current assets of \$1,382,636 at November 30, 2012. The bulk of our assets are \$4,408,459 in revenue earning vehicles. We believe that our business will continue to grow over the next quarters as a result of additional fund raising over the last quarter of 2012 and in the beginning of 2013.

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Management does not expect to have to dilute the 112,500,000 issued shares in the near future. Instead we intend to continue to make use of asset based financing to grow our fleet of rental cars.

#### CRITICAL ACCOUNTING POLICIES

Financial Reporting Release No. 60 of the SEC encourages all companies to include a discussion of critical accounting policies or methods used in the preparation of the financial statements. There are no current revenue generating activities that give rise to significant assumptions or estimates. Our financial statements filed as part of our Current Report on Form 8-K, dated December 7, 2011; include a summary of the significant accounting policies and methods used in the preparation of our financial statements.

#### OFF-BALANCE SHEET ARRANGEMENTS

We have never entered into any off-balance sheet financing arrangements and have not formed any special purpose entities. We have not guaranteed any debt or commitments of other entities or entered into any options on non-financial assets.

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information called for by this item is not required as we are a smaller reporting company.

#### ITEM 4T. CONTROLS AND PROCEDURES

##### (a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, 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 provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of November 30, 2012, we carried out an evaluation, under the supervision and with the participation of our management, including our Principal Financial Officer of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. Based upon that evaluation, our Principal Financial Officer concluded that our disclosure controls and procedures are effective in enabling us to record, process, summarize and report information required to be included in our periodic SEC filings within the required time period.

##### (b) Changes in Internal Controls

There were no changes in our internal controls and procedures in internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially

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affect, our internal control over financial reporting. We continue to rely on the members of the Board of Directors to provide assurance that our entity-level controls remain effective and we believe our process-level controls remain effective.

#### PART II - OTHER INFORMATION

#### ITEM 1. LEGAL PROCEEDINGS

The Company is not currently a party to any legal proceedings.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following documents are filed as part of this Report.

Exhibit Number -----	Exhibit Description -----
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a), 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), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certifications of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certifications of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	Interactive data files pursuant to Rule 405 of Regulation S-T.

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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 on January 11, 2013.

Earn-A-Car, Inc.

By: /s/ John Storey

-----  
John C Storey  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Bruce J Dunnington

-----  
Bruce J Dunnington  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John C. Storey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended November 30, 2012 of Earn-A-Car, 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 under which such statements were 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)) for the registrant and have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this annual report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and 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;
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: January 11, 2013

/s/ John C. Storey

-----  
John C. Storey  
CEO and President



CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bruce J. Dunnington, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended November 30, 2012 of Earn-A-Car, 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 under which such statements were 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)) for the registrant and have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this annual report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and 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;
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: January 11, 2013

/s/ Bruce J. Dunnington

-----  
Bruce J. Dunnington, CFO

SECTION 1350 CERTIFICATION  
STATEMENT FURNISHED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned is the CEO and President of Earn-A-Car, Inc. This Certification is made pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. This Certification accompanies the Quarterly Report on Form 10-Q of Earn-A-Car, Inc. for the quarter ended November 30, 2012.

The undersigned certifies that such 10-Q Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of Earn-A-Car, Inc. as of November 30, 2012.

This Certification is executed as of January 11, 2013.

/s/ John C. Storey

-----  
John C. Storey  
CEO and President

SECTION 1350 CERTIFICATION  
STATEMENT FURNISHED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned is the CFO of Earn-A-Car, Inc. This Certification is made pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. This Certification accompanies the Quarterly Report on Form 10-Q of Earn-A-Car, Inc. for the quarter ended November 30, 2012.

The undersigned certifies that such 10-Q Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of Earn-A-Car, Inc. as of November 30, 2012.

This Certification is executed as of January 11, 2013.

/s/ Bruce J. Dunnington

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Bruce J. Dunnington, CFO

**PROVISION FOR  
INCOME TAXES  
CONSISTS OF THE  
FOLLOWING (Details)  
(USD \$)**

**Nov. 30, 2012 Feb. 29, 2012**

<u>Net losses of approximately</u>	\$ 379,175	\$ 431,567
<u>Valuation allowance</u>	\$ 0	\$ 0

**Rent expense for vehicles  
(Details) (USD \$)**

**9 Months Ended  
Nov. 30, 2012 Nov. 30, 2011**

<a href="#">Rent expense for vehicles leased under operating leases</a>	\$ 0	\$ 0
---	------	------

**Future minimum rentals and  
fees operating leases (Table)**

**9 Months Ended  
Nov. 30, 2012**

[Future minimum rentals and  
fees operating leases](#)

[Future minimum rentals and  
fees operating leases](#)

Future minimum rentals and fees under non-cancelable operating leases for the 12 month periods are presented in the following table:

November 30, 2013	\$65,633
November 30, 2014	\$65,633
November 30, 2015	\$65,633
November 30, 2016	\$65,633
November 30, 2017	\$65,633

**Future minimum rentals and  
fees under non-cancelable  
operating leases (Details)  
(USD \$)**

**Nov. 30, 2012**

<a href="#">Future minimum rentals and fees under non-cancelable operating leases November 30, 2013</a>	\$ 65,633
<a href="#">Future minimum rentals and fees under non-cancelable operating leases November 30, 2014</a>	65,633
<a href="#">Future minimum rentals and fees under non-cancelable operating leases November 30, 2015</a>	65,633
<a href="#">Future minimum rentals and fees under non-cancelable operating leases November 30, 2016</a>	65,633
<a href="#">Future minimum rentals and fees under non-cancelable operating leases November 30, 2017</a>	\$ 28,507



**Expected maturities of debt  
and other obligations  
outstanding (Details) (USD  
\$)**

**Nov. 30, 2012**

Loan Amounts

<a href="#">Loan And Lease Amounts Year beginning November 30, 2013</a>	\$ 710,736
<a href="#">Loan And Lease Amounts Year ending November 30, 2013</a>	710,736
<a href="#">Loan And Lease Amounts Year ending November 30, 2014</a>	975,147
<a href="#">Loan And Lease Amounts Year ending November 30, 2015</a>	947,648
<a href="#">Loan And Lease Amounts Year ending November 30, 2017</a>	0
<a href="#">Loan And Lease Amounts Thereafter</a>	438,958
<a href="#">Loan And Lease Amounts Total</a>	3,072,489

Lease Amounts

<a href="#">Loan And Lease Amounts Year beginning November 30, 2013</a>	453,116
<a href="#">Loan And Lease Amounts Year ending November 30, 2013</a>	453,116
<a href="#">Loan And Lease Amounts Year ending November 30, 2014</a>	362,987
<a href="#">Loan And Lease Amounts Year ending November 30, 2015</a>	291,215
<a href="#">Loan And Lease Amounts Year ending November 30, 2016</a>	108,122
<a href="#">Loan And Lease Amounts Year ending November 30, 2017</a>	0
<a href="#">Loan And Lease Amounts Total</a>	1,215,440

Total Amount

<a href="#">Loan And Lease Amounts Year beginning November 30, 2013</a>	1,163,852
<a href="#">Loan And Lease Amounts Year ending November 30, 2013</a>	1,163,852
<a href="#">Loan And Lease Amounts Year ending November 30, 2014</a>	1,338,134
<a href="#">Loan And Lease Amounts Year ending November 30, 2015</a>	1,238,863
<a href="#">Loan And Lease Amounts Year ending November 30, 2016</a>	108,122
<a href="#">Loan And Lease Amounts Year ending November 30, 2017</a>	0
<a href="#">Loan And Lease Amounts Thereafter</a>	438,958
<a href="#">Loan And Lease Amounts Total</a>	\$ 4,287,929

**REVENUE-EARNING  
VEHICLES**

**9 Months Ended  
Nov. 30, 2012**

REVENUE-EARNING  
VEHICLES

REVENUE-EARNING  
VEHICLES

2. REVENUE-EARNING VEHICLES

Revenue-earning vehicles consist of the following:

	November 30, 2012	February 29, 2012
	-----	-----
Revenue-earning vehicles	\$ 5,675,646	\$ 4,028,709
Less accumulated depreciation	(1,267,187)	(1,046,649)
	-----	-----
	\$ 4,408,459	\$ 2,982,060
	=====	=====

Rent expense for vehicles leased under operating leases was \$0 and \$0 for the nine months ending November 30, 2012 and November 30, 2011, respectively, and is included in vehicle depreciation and lease charges, net.

**RELATED PARTY  
TRANSACTIONS  
CONSISTS OF THE  
FOLLOWING (Details)  
(USD \$)**

**Nov. 30, 2012 Feb. 29, 2012**

**Loans payable to shareholders:**

<u>Cobalt Capital (Pty) Ltd.</u>	\$ 0	\$ 0
<u>G. Yannakopoulos</u>	0	0
<u>G. Hardie</u>	0	1,000
<u>Total loans payable to related parties</u>	0	1,000

**Loans receivable from shareholders:**

<u>Cobalt Capital (Pty) Ltd.,</u>	0	0
<u>M. DuPlessis</u>	0	0
<u>G. Yannakopoulos.</u>	0	0
<u>Total loans receivable from related parties</u>	0	0

**Compensation paid to directors:**

<u>G. Yannakopoulos.</u>	0	52,482
<u>Total Compensation paid to directors</u>	\$ 0	\$ 104,964

**ALLOWANCE FOR  
DOUBTFUL ACCOUNTS**      **Nov. 30, 2012** **Feb. 29, 2012**  
**AS OF (Details) (USD \$)**

<a href="#">Impaired receivables</a>	\$ 228,627	\$ 264,189
<a href="#">Allowance for impaired receivables</a>		\$ 164,295

**Cash and Cash Equivalents  
Consists Of (Details) (USD \$)**

**Nov. 30, 2012 Feb. 29, 2012**

Cash and cash equivalents include cash on hand and on deposit \$ 791,103 \$ 171,354

**Average useful lives of fixed  
assets follows (Details)**

**Nov. 30, 2012**

<u>Motor vehicles (years)</u>	6
<u>Computer equipment (years)</u>	3
<u>Computer software (years)</u>	2
<u>Leased assets - motor vehicles (years)</u>	6

ADVERTISING COSTS INCURRED (Details) (USD \$)	9 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
<a href="#">Advertising expense</a>	\$ 66,802	\$ 9,714

**BASIS OF  
PRESENTATION AND  
SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**

**9 Months Ended**

**Nov. 30, 2012**

**BASIS OF  
PRESENTATION AND  
SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**  
**BASIS OF PRESENTATION  
AND SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Earn-A-Car, Inc. (formerly Victoria Internet Services, Inc.) was incorporated in the State of Nevada on October 9, 2009. The company was organized to operate as an online tax preparation service in the North American market. On December 7, 2011, prior to commencing those operations, the company has opted to change its business focus to the daily rental of vehicles in the South African market.

On December 7, 2011, a simultaneous execution and closing was held under an Agreement and Plan of Reorganization (the Plan"), by and among Victoria Internet Services, Inc. (the "Company" "us" "we" ), Leon Golden (our then principal shareholder) ("Golden") and Earn-A-Car (PTY), LTD., a corporation organized under the laws of the Republic of South Africa ("EAC") and Depassez Investments Ltd, a Seychelles corporation ("DPL"), owned by Graeme Hardie (our new principal shareholder) ("Hardie").

Under the Plan DPL acquired 78,500,000 shares of our common stock from Golden for \$150,000 and the balance of Golden's 205,000,000 shares were submitted to the transfer agent for cancellation and DPI contributed all of the shares of EAC to the Company so that EAC became a wholly owned subsidiary of the Company and the business of the Company is now the business of EAC. Mr. Golden also resigned as an officer and director of the Company and John Storey ("Storey") and Hardie were elected as directors and Storey was appointed CEO and President with Hardie being appointed Chairman of the board.

On February 10, 2012 the Company filed an amendment with the Secretary of State



for Nevada to gain permission to change its name from Victoria Internet Services, Inc. to Earn-A-Car, Inc. In conjunction with the name change the Company also filed to have a new symbol on the Over The Counter Bulletin Board (OTCBB). As of March 8, 2012 the Company no longer is listed with the symbol VRIS, and is now listed on the OTCBB as EACR.

Earn-A-Car (PTY) LTD - The wholly owned subsidiary was incorporated in South Africa on July 2, 2005, and is primarily engaged in the business of the daily rental of vehicles to business and leisure customers through company-owned stores in the country of South Africa. On July 18, 2011, its name was changed from "EasyCars Rental and Sales (PTY) Ltd." to "Earn-A-Car (PTY) Ltd.".

Earn-A-Car Assets (Pty) LTD. - The wholly owned subsidiary was incorporated in South Africa on August 8, 2011 under the name Civiwize (Pty) Ltd... Currently the name is in the process of being changed to Earn-A-Car Assets (Pty) Ltd. This company operates as the holding company for all vehicles purchased using specific bank funding and will lease those vehicles solely to the parent company.

Basis of Presentation- The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and are presented in U.S. Dollars. In the opinion of management, all adjustments necessary in order for the financial statements to be not misleading have been reflected herein. The Company has selected a February 28 year end.

Estimates - The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results could differ materially from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand and on deposit, including highly liquid investments with initial maturities of three

months or less. At November 30, 2012 and February 29, 2012 the Company had \$791,103 and \$171,354 in cash and cash equivalents, respectively.

Allowance for Doubtful Accounts - An allowance for doubtful accounts is generally established during the period in which receivables are recorded. The allowance is maintained at a level deemed appropriate based on loss experience and other factors affecting collectability. As at November 30, 2012 and February 29, 2012 the Company had \$228,627 and \$264,189 in impaired receivables, respectively. The allowance for these impaired receivables was \$164,295 for fiscal year ended February 29, 2012.

Financing Issue Costs - Financing issue costs related to vehicle debt are deferred and amortized to interest expense over the term of the related debt using the effective interest method.

Receivables and Payables- Trade receivables and payables are measured at initial recognition at fair value, and are subsequently measured using the effective interest rate method of valuation. Appropriate allowances for estimated uncollectible receivable balances are recognized in profit or loss when there is evidence of impairment.

Revenue-Earning Vehicles and Related Vehicle Depreciation Expense - Revenue-earning vehicles are stated at cost, net of related discounts.

The Company must estimate what the residual values of these vehicles will be at the expected time of disposal to determine monthly depreciation rates. The estimation of residual values requires the Company to make assumptions regarding the age and mileage of the car at the time of disposal, as well as the general used vehicle auction market. The Company evaluates estimated residual values periodically, and adjusts depreciation rates accordingly, on a prospective basis.

Differences between actual residual values and those estimated by the Company

result in a gain or loss on disposal and are recorded as an adjustment to depreciation expense. Actual timing of disposal either shorter or longer than the life used for depreciation purposes could result in a loss or gain on sale. Generally, the average holding term for vehicles is approximately 7 years.

Property and Equipment - Property and equipment are recorded at cost and are depreciated using principally the straight-line method over the estimated useful lives of the related assets. Estimated useful lives generally range from ten to thirty years for buildings and improvements and two to seven years for furniture and equipment. Leasehold improvements are amortized over the estimated useful lives of the related assets or leases, whichever is shorter. The average useful lives of fixed assets are as follows:

Motor vehicles	6 years
Computer equipment	3 years
Computer software	2 years
Leased assets - motor vehicles	6 years

Long-Lived Assets - The Company reviews the value of long-lived assets, including software, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable based upon estimated future cash flows and records an impairment charge, equaling the excess of the carrying value over the estimated fair value, if the carrying value exceeds estimated future cash flows.

Foreign Currency Translation - The Company's functional currency is the South African Rand, the translation into US dollars is the presentation bases of these financial statements. Foreign assets and liabilities are translated using the exchange rate in effect at the balance sheet date, and results of operations are translated using an average rate for the period. Translation adjustments are accumulated and reported as a component of accumulated other comprehensive income or loss.

Revenue Recognition - Revenues from vehicle rentals are recognized as earned on a daily basis under the related rental contracts with customers. We also charge upfront administrative fees, which are non-refundable and fully earned at inception of the rental period, and which are recorded as income at the start of the rental period which is month to month.

Advertising Costs - Advertising costs are primarily expensed as incurred. During the nine months ended November 30, 2012 and November 30, 2011, the Company incurred advertising expense of \$66,802 and \$9,714, respectively.

Income Taxes - The Company has provided for income taxes on its separate taxable income or loss and other tax attributes. Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The Company has no tax liability in the United States.

Earnings Per Share - Basic earnings per share ("EPS") is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted EPS is based on the combined weighted average number of common shares and common share equivalents outstanding which include, where appropriate, the assumed exercise of options. There were no such common stock equivalents outstanding at November 30, 2012. Earnings per share and weighted average shares outstanding as of November 30, 2011 have been adjusted in these financial statements to reflect the November 14, 2011 stock split.

Other Comprehensive Income (Loss) - Comprehensive income (loss) consists of net income (loss) and other gains and losses affecting stockholder's equity that, under GAAP, are excluded from net income (loss), including foreign currency translation adjustments, gains and losses related to certain derivative contracts, and gains or losses, prior service costs or credits, and transition assets or obligations associated with pension or other postretirement benefits that have not been recognized as components of net periodic benefit cost.

Stock-Based Compensation- Stock-based compensation is accounted for at fair value in accordance with SFAS No. 123 and 123 (R) (ASC 718). To date, the Company has not adopted a stock option plan and has not granted any stock options.

New Accounting Standards - The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

**Revenue-earning vehicles**  
**consist of the following**    **Nov. 30, 2012** **Feb. 29, 2012**  
**(Details) (USD \$)**

<u>Revenue-earning vehicles</u>	\$ 5,675,646	\$ 4,028,709
<u>Less accumulated depreciation</u>	(1,267,187)	(1,046,649)
<u>Total Revenue-earning vehicles</u>	\$ 4,408,459	\$ 2,982,060

**Common And Preferred  
Shares (Details)**

**Nov. 30, 2012 Feb. 29, 2012 Jan. 19, 2012 Nov. 14, 2011**

<u>Increase in authorized common shares</u>			250,000,000
<u>Cancelled shares of common stock</u>		121,500,000	
<u>Common shares outstanding</u>	112,250,000	112,250,000	
<u>Preferred shares authorized</u>	20,000,000	20,000,000	
<u>Preferred shares outstanding</u>	0	0	

**BALANCE SHEETS**  
**(unaudited) (USD \$)**

**Nov. 30, Feb. 29,**  
**2012 2012**

**Current Assets**

<u>Cash and cash equivalents</u>	\$ 791,103	\$ 171,354
<u>Receivables, net</u>	591,533	99,721
<u>Total Current Assets</u>	1,382,636	271,075
<u>Property and equipment, net</u>	27,368	14,242
<u>Revenue-earning vehicles, net</u>	4,408,459	2,982,060

**Other Assets**

<u>Loans to shareholders</u>	0	0
<u>Loan receivable</u>	18,032	15,312
<u>Total Other Assets</u>	18,032	15,312
<b><u>TOTAL ASSETS</u></b>	<b>5,836,495</b>	<b>3,282,689</b>

**Current Liabilities**

<u>Accounts payable</u>	329,326	292,447
<u>Accrued expenses</u>	17,100	51,747
<u>Current portion of leases payable</u>	453,116	593,533
<u>Current portion of loans payable</u>	710,736	152,243
<u>Total Current Liabilities</u>	1,510,278	1,089,970

**Long-term Debt**

<u>Loans from shareholders</u>	0	1,000
<u>Leases payable</u>	762,324	741,582
<u>Loans payable</u>	2,361,753	726,808
<u>Total Long-term Debt</u>	3,124,077	1,469,390
<u>Total Liabilities</u>	4,634,355	2,559,360

**Stockholders' Equity**

<u>Common stock, \$0.0000001 par value, 250,000,000 shares authorized, 112,250,000 and 112,250,000 shares issued and outstanding, respectively</u>	11	11
<u>Additional paid in capital</u>	5,423	5,423
<u>Accumulated other comprehensive (loss)</u>	(201,296)	(35,278)
<u>Retained earnings</u>	1,398,002	753,173
<u>Total Stockholders' Equity</u>	1,202,140	723,329
<b><u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>	<b>\$</b>	<b>\$</b>
	5,836,495	3,282,689



<b>STATEMENT OF STOCKHOLDERS' EQUITY (unaudited) (USD \$)</b>	<b>Common Stock Shares</b>	<b>Common Stock Amount USD (\$)</b>	<b>Paid in Capital USD (\$)</b>	<b>Accumulated Other Comprehensive Income (Loss) USD (\$)</b>	<b>Retained Earnings (Deficit) USD (\$)</b>	<b>Total. USD (\$)</b>
<u>Balance at Feb. 28, 2009</u>	100	10	0	29,931	(229,369)	(199,428)
<u>(Loss) on currency translation</u>		\$ 0	\$ 0	\$ (41,796)	\$ 0	\$ (41,796)
<u>Net earnings</u>		0	0	0	266,416	266,416
<u>Balance at Feb. 28, 2010</u>	100	10	0	(11,865)	37,047	25,192
<u>Common stock issued for cash at par</u>	400	50	0	0	0	50
<u>Gain on currency translation</u>		0	0	6,073	0	6,073
<u>Net earnings</u>		0	0	0	400,720	400,720
<u>Balance at Feb. 28, 2011</u>	500	60	0	(5,792)	437,767	432,035
<u>(Loss) on currency translation</u>		0	0	(29,486)	0	(29,486)
<u>Reorganization adjustment</u>	233,749,500	(35)	5,409	0	0	5,374
<u>Cancellation of stock-former CEO</u>	(121,500,000)	(14)	14	0	0	0
<u>Net income</u>		0	0	0	315,406	315,406
<u>Balance at Feb. 29, 2012</u>	112,250,000	11	5,423	(35,278)	753,173	723,329
<u>(Loss) on currency translation</u>		0	0	(166,018)	0	(166,018)
<u>Net income.</u>		\$ 0	\$ 0	\$ 0	\$ 644,829	\$ 644,829
<u>Balance at Nov. 30, 2012</u>	112,250,000	11	5,423	(201,296)	1,398,002	1,202,140

**LOANS RECEIVABLE  
UNDER AGREEMENT  
(Details) (USD \$)**

**Nov. 30, 2012 Feb. 29, 2012**

<u>Receivable due under a settlement agreement</u>	\$ 18,032	\$ 15,312
<u>loan is to be repaid with interest</u>	10.00%	
<u>Installments</u>	48	
<u>Equal installments amount</u>	\$ 425	

**DEBT AND OTHER  
OBLIGATION (Tables)**

**9 Months Ended  
Nov. 30, 2012**

DEBT AND OTHER  
OBLIGATION  
DEBT AND OTHER  
OBLIGATION

Debt and other obligations consist of the following:

	November 30, 2012 -----	February 29, 2012 -----
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	\$ 22,744	\$ 26,546
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	11,372	--
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	56,859	66,366
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	43,781	90,257
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	71,795	104,373
Loan payable - other - unsecured, interest bearing, no fixed repayment terms	204,317	252,488
Loan payable - bank- Secured by company vehicles, bearing an interest rate of JIBAR plus 5% per annum, payable in quarterly installments beginning 9/30/12	2,606,034	--
Loan payable - Jay & Jayendra (Pty) Ltd. Secured by company vehicles, bearing an interest rate of the prime rate, payable within 12 months	--	159,278
Loan payable - other - unsecured, 2% per month interest, repayable within 60 days after year end, subject to default immediate repayment stipulation	--	119,458
Loan payable - other - unsecured, interest bearing, no fixed repayment terms	28,087	60,285

Loan payable- other- from EAC Inc per trial balance PBC	27,500	0
	-----	-----
Total	\$3,072,489	\$ 879,051
Current portion of loans payable	710,736	152,243
	-----	-----
Long-term portion of loans payable	\$2,361,753	\$ 726,808
	=====	=====

<b>Debt and other obligations consist of the following (Details) (USD \$)</b>	<b>Nov. 30, 2012</b>	<b>Feb. 29, 2012</b>
<u>Loan payable - individual - unsecured, interest bearing, no fixed repayment terms</u>	\$ 22,744	\$ 26,546
<u>Loan payable - individual - unsecured, interest bearing, no fixed repayment terms.</u>	11,372	
<u>Loan payable - individual - unsecured, interest bearing, no fixed repayment terms.</u>	56,859	66,366
<u>Loan payable - individual - unsecured, interest bearing, no fixed repayment terms:</u>	43,781	90,257
<u>Loan payable - individual - unsecured, interest bearing, no fixed repayment terms:</u>	71,795	104,373
<u>Loan payable - other - unsecured, interest bearing, no fixed repayment terms</u>	204,317	252,488
<u>Loan payable - bank- Secured by company vehicles, bearing an interest rate of JIBAR plus 5% per annum, payable in quarterly installments beginning 9/30/12</u>	2,606,034	
<u>Loan payable - Jay &amp; Jayendra (Pty) Ltd. Secured by company vehicles, bearing an interest rate of the prime rate, payable within 12 months</u>		159,278
<u>Loan payable - other - unsecured, 2% per month interest, repayable within 60 days after year end, subject to default immediate repayment stipulation</u>		119,458
<u>Loan payable - other - unsecured, interest bearing, no fixed repayment terms.</u>	28,087	60,285
<u>Loan payable- other- from EAC Inc per trial balance PBC</u>	27,500	0
<u>Total:</u>	3,072,489	879,051
<u>Current portion of loans payable,</u>	710,736	152,243
<u>Long-term portion of loans payable,</u>	\$	\$
	2,361,753	726,808

Expenses incurred under  
operating leases (Table)

9 Months Ended  
Nov. 30, 2012

[Expenses incurred under  
operating leases](#)

[Expenses incurred under  
operating leases](#)

Expenses incurred under operating leases for the period were as follows:

	November 30, 2012 -----	February 29, 2012 -----
Operating leases:		
Premises	\$ 45,108	\$ 6,487
Motor vehicles	--	6,965
	-----	-----
	\$ 45,108	\$ 13,452
	=====	=====

**STATEMENTS OF CASH  
FLOWS (Unaudited) (USD  
\$)**

**9 Months Ended  
Nov. 30,      Nov. 30,  
2012              2011**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income and other comprehensive income \$ 644,829 \$ 271,137

**Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:**

Change in cumulative translation adjustment (166,018) (94,618)

Depreciation 665,290 452,466

Net (Gain) losses from disposition of revenue-earning vehicles 5,209 17,569

**Change in Assets and Liabilities:**

(Increase) decrease in receivables (491,812) (2,330)

Increase (decrease) in accounts payables 36,879 (46,554)

Increase (decrease) in accrued expenses (34,647) (844)

**CASH FLOWS PROVIDED BY OPERATING ACTIVITIES** 659,730 596,826

**Revenue-earning vehicles:**

Purchases (2,137,593) (610,280)

Proceeds from sales 40,695 0

**Property, equipment and software:**

Purchases (13,126) (1,108)

Loans (extended) collected (2,720) (175,344)

**CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES** (2,112,744) (786,732)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from (Payments on) leases payable (net) (119,675) 471,943

Proceeds from (Payments on) loans payable (net) 2,193,438 (89,022)

Proceeds from (Payments on) shareholder loans (net) (1,000) (97,879)

**CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES** 2,072,763 285,042

**NET (DECREASE) IN CASH AND CASH EQUIVALENTS** 619,749 95,136

Cash, beginning of period 171,354 69,480

Cash, end of period 791,103 164,616

**SUPPLEMENTAL CASH FLOW INFORMATION:**

Cash paid for interest 185,847 136,199

Cash paid for income taxes \$ 0 \$ 0

**BALANCE SHEETS**  
**PARENTHETICALS (USD    Nov. 30, 2012 Feb. 29, 2012**  
**\$)**

<u>Common Stock, par value.</u>	\$ 0.0000001	\$ 0.0000001
<u>Common Stock, shares authorized</u>	250,000,000	250,000,000
<u>Common Stock, shares issued</u>	112,250,000	112,250,000
<u>Common Stock, shares outstanding</u>	112,250,000	112,250,000



**SUBSEQUENT EVENTS**

**9 Months Ended  
Nov. 30, 2012**

SUBSEQUENT EVENTS  
SUBSEQUENT EVENTS

10. SUBSEQUENT EVENTS

The Company has analyzed its operations subsequent to November 30, 2012 through the date these financial statements were issued, and has determined that it does not have any material subsequent events to disclose.

**Document and Entity  
Information**

**9 Months Ended  
Nov. 30, 2012**

**Jan. 08, 2013**

**Document and Entity Information**

<u>Entity Registrant Name</u>	Earn-A-Car Inc.	
<u>Document Type</u>	10-Q	
<u>Document Period End Date</u>	Nov. 30, 2012	
<u>Amendment Flag</u>	false	
<u>Entity Central Index Key</u>	0001486297	
<u>Current Fiscal Year End Date</u>	--02-29	
<u>Entity Common Stock, Shares Outstanding</u>		112,250,000
<u>Entity Filer Category</u>	Smaller Reporting Company	
<u>Entity Current Reporting Status</u>	Yes	
<u>Entity Voluntary Filers</u>	No	
<u>Entity Well-known Seasoned Issuer</u>	No	
<u>Document Fiscal Year Focus</u>	2013	
<u>Document Fiscal Period Focus</u>	Q3	

**ACCOUNTING POLICIES  
(Policies)**

**9 Months Ended  
Nov. 30, 2012**

**ACCOUNTING POLICIES**

**Nature of Business**

Nature of Business - Earn-A-Car, Inc. (formerly Victoria Internet Services, Inc.) was incorporated in the State of Nevada on October 9, 2009. The company was organized to operate as an online tax preparation service in the North American market. On December 7, 2011, prior to commencing those operations, the company has opted to change its business focus to the daily rental of vehicles in the South African market.

On December 7, 2011, a simultaneous execution and closing was held under an Agreement and Plan of Reorganization (the Plan"), by and among Victoria Internet Services, Inc. (the "Company" "us" "we" ), Leon Golden (our then principal shareholder) ("Golden") and Earn-A-Car (PTY), LTD., a corporation organized under the laws of the Republic of South Africa ("EAC") and Depassez Investments Ltd, a Seychelles corporation ("DPL"), owned by Graeme Hardie (our new principal shareholder) ("Hardie").

Under the Plan DPL acquired 78,500,000 shares of our common stock from Golden for \$150,000 and the balance of Golden's 205,000,000 shares were submitted to the transfer agent for cancellation and DPI contributed all of the shares of EAC to the Company so that EAC became a wholly owned subsidiary of the Company and the business of the Company is now the business of EAC. Mr. Golden also resigned as an officer and director of the Company and John Storey ("Storey") and Hardie were elected as directors and Storey was appointed CEO and President with Hardie being appointed Chairman of the board.

On February 10, 2012 the Company filed an amendment with the Secretary of State for Nevada to gain permission to change its name from Victoria Internet Services, Inc. to Earn-A-Car, Inc. In conjunction with the name change the Company also filed to have a new symbol on the Over The Counter Bulletin Board (OTCBB). As of March 8, 2012 the Company no longer is listed with the symbol VRIS, and is now listed on the OTCBB as EACR.

Earn-A-Car (PTY) LTD - The wholly owned subsidiary was incorporated in South Africa on July 2, 2005, and is primarily engaged in the business of the daily rental of vehicles to business and leisure customers through company-owned stores in the country of South Africa. On July 18, 2011, its name was changed from "EasyCars Rental and Sales (PTY) Ltd." to "Earn-A-Car (PTY) Ltd.".

Earn-A-Car Assets (Pty) LTD. - The wholly owned subsidiary was incorporated in South Africa on August 8, 2011 under the name Civiwize (Pty) Ltd... Currently the name is in the process of being changed to Earn-A-Car Assets (Pty) Ltd. This company operates as the holding company for all vehicles purchased using specific bank funding and will lease those vehicles solely to the parent company.

#### Basis of Presentation

Basis of Presentation- The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and are presented in U.S. Dollars. In the opinion of management, all adjustments necessary in order for the financial statements to be not misleading have been reflected herein. The Company has selected a February 28 year end.

#### Estimates

Estimates - The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results could differ materially from those estimates.

#### Cash and Cash Equivalents Policy

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand and on deposit, including highly liquid investments with initial maturities of three months or less. At November 30, 2012 and February 29, 2012 the Company had \$791,103 and \$171,354 in cash and cash equivalents, respectively.

#### Allowance for Doubtful Accounts

Allowance for Doubtful Accounts - An allowance for doubtful accounts is generally established during the period in which receivables are recorded. The allowance is maintained at a level deemed appropriate based on loss experience and other factors affecting collectability. As at November 30, 2012 and February 29, 2012 the Company had \$228,627 and \$264,189 in impaired receivables,

respectively. The allowance for these impaired receivables was \$164,295 for fiscal year ended February 29, 2012.

#### Financing Issue Costs

Financing Issue Costs - Financing issue costs related to vehicle debt are deferred and amortized to interest expense over the term of the related debt using the effective interest method.

#### Receivables and Payables

Receivables and Payables- Trade receivables and payables are measured at initial recognition at fair value, and are subsequently measured using the effective interest rate method of valuation. Appropriate allowances for estimated uncollectible receivable balances are recognized in profit or loss when there is evidence of impairment.

#### Revenue-Earning Vehicles and Related Vehicle Depreciation Expense

Revenue-Earning Vehicles and Related Vehicle Depreciation Expense - Revenue-earning vehicles are stated at cost, net of related discounts.

The Company must estimate what the residual values of these vehicles will be at the expected time of disposal to determine monthly depreciation rates. The estimation of residual values requires the Company to make assumptions regarding the age and mileage of the car at the time of disposal, as well as the general used vehicle auction market. The Company evaluates estimated residual values periodically, and adjusts depreciation rates accordingly, on a prospective basis.

Differences between actual residual values and those estimated by the Company result in a gain or loss on disposal and are recorded as an adjustment to depreciation expense. Actual timing of disposal either shorter or longer than the life used for depreciation purposes could result in a loss or gain on sale. Generally, the average holding term for vehicles is approximately 7 years.

#### Property and Equipment POLICY

Property and Equipment - Property and equipment are recorded at cost and are depreciated using principally the straight-line method over the estimated useful lives of the related assets. Estimated useful lives generally range from ten to thirty years for buildings and improvements and two to seven years for furniture and equipment. Leasehold improvements are amortized over the estimated useful

lives of the related assets or leases, whichever is shorter. The average useful lives of fixed assets are as follows:

Motor vehicles	6 years
Computer equipment	3 years
Computer software	2 years
Leased assets - motor vehicles	6 years

#### Long-Lived Assets Policy

Long-Lived Assets - The Company reviews the value of long-lived assets, including software, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable based upon estimated future cash flows and records an impairment charge, equaling the excess of the carrying value over the estimated fair value, if the carrying value exceeds estimated future cash flows.

#### FOREIGN CURRENCY TRANSLATION POLICY

Foreign Currency Translation - The Company's functional currency is the South African Rand, the translation into US dollars is the presentation bases of these financial statements. Foreign assets and liabilities are translated using the exchange rate in effect at the balance sheet date, and results of operations are translated using an average rate for the period. Translation adjustments are accumulated and reported as a component of accumulated other comprehensive income or loss.

#### Revenue Recognition

Revenue Recognition - Revenues from vehicle rentals are recognized as earned on a daily basis under the related rental contracts with customers. We also charge upfront administrative fees, which are non-refundable and fully earned at inception of the rental period, and which are recorded as income at the start of the rental period which is month to month.

#### ADVERTISING COSTS POLICY

Advertising Costs - Advertising costs are primarily expensed as incurred. During the nine months ended November 30, 2012 and November 30, 2011, the Company incurred advertising expense of \$66,802 and \$9,714, respectively.

#### INCOME TAXES Policy

Income Taxes - The Company has provided for income taxes on its separate taxable income or loss and other tax attributes. Deferred income taxes are provided for

the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The Company has no tax liability in the United States.

#### EARNINGS PER SHARE POLICY

Earnings Per Share - Basic earnings per share ("EPS") is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted EPS is based on the combined weighted average number of common shares and common share equivalents outstanding which include, where appropriate, the assumed exercise of options. There were no such common stock equivalents outstanding at November 30, 2012. Earnings per share and weighted average shares outstanding as of November 30, 2011 have been adjusted in these financial statements to reflect the November 14, 2011 stock split.

#### OTHER COMPREHENSIVE INCOME (LOSS) POLICY

Other Comprehensive Income (Loss) - Comprehensive income (loss) consists of net income (loss) and other gains and losses affecting stockholder's equity that, under GAAP, are excluded from net income (loss), including foreign currency translation adjustments, gains and losses related to certain derivative contracts, and gains or losses, prior service costs or credits, and transition assets or obligations associated with pension or other postretirement benefits that have not been recognized as components of net periodic benefit cost.

#### STOCK-BASED COMPENSATION

Stock-Based Compensation- Stock-based compensation is accounted for at fair value in accordance with SFAS No. 123 and 123 (R) (ASC 718). To date, the Company has not adopted a stock option plan and has not granted any stock options.

#### NEW ACCOUNTING STANDARDS

New Accounting Standards - The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

**STATEMENTS OF  
OPERATIONS (Unaudited)  
(USD \$)**

**3 Months Ended                      9 Months Ended**  
**Nov. 30, 2012   Nov. 30, 2011   Nov. 30, 2012   Nov. 30, 2011**

**REVENUES**

<u>Vehicle rentals</u>	\$ 1,049,340	\$ 640,583	\$ 2,802,702	\$ 1,870,343
<u>Other</u>	2,076	1,979	5,464	8,579
<u>Total Revenues</u>	1,051,416	642,562	2,808,166	1,878,922

**Expenses**

<u>Direct vehicle and operating</u>	277,377	203,293	972,885	713,157
<u>Vehicle depreciation and lease charges</u>	284,613	155,913	665,290	452,466
<u>Selling, general and administrative</u>	142,857	107,486	355,374	306,011
<u>Interest expense</u>	85,411	58,587	185,847	136,199
<u>Total Expenses</u>	790,258	525,279	2,179,296	1,607,833
<u>Operating Income</u>	261,158	117,283	628,770	271,089

**Other Income (Expense)**

<u>Interest income</u>	2,380	47	21,268	48
<u>Gain / (loss) from asset disposal</u>	(6,056)	0	(5,209)	0
<u>Total other income (expense)</u>	(3,676)	47	16,059	48
<u>Net Income Before Provision for Income Taxes</u>	257,482	117,330	644,829	271,137
<u>Provision for Income Taxes</u>	0	0	0	0
<u>Net Income</u>	\$ 257,482	\$ 117,330	\$ 644,829	\$ 271,137
<u>Earnings per Share</u>	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
<u>Weighted Average Common Shares Outstanding</u>	112,250,000	44,951,923	112,250,000	18,003,000



**DEBT AND OTHER  
OBLIGATIONS**

**9 Months Ended  
Nov. 30, 2012**

DEBT AND OTHER  
OBLIGATIONS  
DEBT AND OTHER  
OBLIGATIONS  
DEBT AND OTHER  
OBLIGATIONS

5. DEBT AND OTHER OBLIGATIONS

Debt and other obligations consist of the following:

	November 30, 2012 -----	February 29, 2012 -----
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	\$ 22,744	\$ 26,546
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	11,372	--
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	56,859	66,366
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	43,781	90,257
Loan payable - individual - unsecured, interest bearing, no fixed repayment terms	71,795	104,373
Loan payable - other - unsecured, interest bearing, no fixed repayment terms	204,317	252,488
Loan payable - bank- Secured by company vehicles, bearing an interest rate of JIBAR plus 5% per annum, payable in quarterly installments beginning 9/30/12	2,606,034	--
Loan payable - Jay & Jayendra (Pty) Ltd. Secured by company vehicles, bearing an interest rate of the prime rate, payable within 12 months	--	159,278
Loan payable - other - unsecured, 2% per month interest, repayable within 60 days after year end, subject to default immediate repayment stipulation	--	119,458

Loan payable - other - unsecured, interest bearing, no fixed repayment terms	28,087	60,285
Loan payable- other- from EAC Inc per trial balance PBC	27,500	0
	-----	-----
Total	\$3,072,489	\$ 879,051
Current portion of loans payable	710,736	152,243
	-----	-----
Long-term portion of loans payable	\$2,361,753	\$ 726,808
	=====	=====

Expected maturities of debt and other obligations outstanding at November 30, 2012 are as follows:

	Loan Amounts	Lease Amounts	Total
	-----	-----	-----
Year ending November 30, 2013	\$ 710,736	\$ 453,116	\$1,163,852
Year ending November 30, 2014	975,147	362,987	1,338,134
Year ending November 30, 2015	947,648	291,215	1,238,863
Year ending November 30, 2016	--	108,122	108,122
Year ending November 30, 2017	--	--	--
Thereafter	438,958	--	438,958
	-----	-----	-----
Total	\$3,072,489	\$1,215,440	\$4,287,929
	=====	=====	=====

Installment sales and lease contracts are secured by installment sales and finance lease agreements over revenue generating vehicles, having 2012 carrying values of \$1,961,559 and \$370,640 respectively. These installment sales and lease contracts are repayable in monthly installments for 2012 of \$16,704 and \$1,115 respectively.

**LOANS RECEIVABLE**

**9 Months Ended  
Nov. 30, 2012**

**LOANS RECEIVABLE**  
**LOANS RECEIVABLE**

4. LOANS RECEIVABLE

At November 30, 2012 and February 29, 2012, the Company has a receivable due under a settlement agreement with a former employee with a balance of \$18,032 and \$15,312, respectively. This loan is to be repaid with interest of 10% in 48 equal installments of about \$425; the payments began in March, 2011.

**Expected maturities of debt  
and other obligations  
(Tables)**

**9 Months Ended  
Nov. 30, 2012**

[Expected maturities of debt  
and other obligations](#)  
[Expected maturities of debt  
and other obligations](#)

Expected maturities of debt and other obligations outstanding at November 30,  
2012 are as follows:

	Loan Amounts	Lease Amounts	Total
	-----	-----	-----
Year ending November 30, 2013	\$ 710,736	\$ 453,116	\$1,163,852
Year ending November 30, 2014	975,147	362,987	1,338,134
Year ending November 30, 2015	947,648	291,215	1,238,863
Year ending November 30, 2016	--	108,122	108,122
Year ending November 30, 2017	--	--	--
Thereafter	438,958	--	438,958
	-----	-----	-----
Total	\$3,072,489	\$1,215,440	\$4,287,929
	=====	=====	=====

**Average Useful Lives Of  
Fixed Assets (Tables)**

**9 Months Ended  
Nov. 30, 2012**

**Average Useful Lives Of Fixed  
Assets**

**Average Useful Lives Of Fixed  
Assets**

The average useful

lives of fixed assets are as follows:

Motor vehicles	6 years
Computer equipment	3 years
Computer software	2 years
Leased assets - motor vehicles	6 years

**COMMITMENTS AND  
CONTINGENCIES  
OPERATING LEASES**

**9 Months Ended**

**Nov. 30, 2012**

COMMITMENTS AND  
CONTINGENCIES  
OPERATING LEASES  
COMMITMENTS AND  
CONTINGENCIES  
OPERATING LEASES

8. COMMITMENTS AND CONTINGENCIES

OPERATING LEASES

The Company operates from various leased premises under operating leases with terms up to 5 years. Some of the leases contain renewal options. No contingent rent is payable.

Expenses incurred under operating leases for the period were as follows:

	November 30, 2012 -----	February 29, 2012 -----
Operating leases:		
Premises	\$ 45,108	\$ 6,487
Motor vehicles	--	6,965
	-----	-----
	\$ 45,108	\$ 13,452
	=====	=====

Future minimum rentals and fees under non-cancelable operating leases for the 12 month periods are presented in the following table:

November 30, 2013	\$65,633
November 30, 2014	\$65,633
November 30, 2015	\$65,633
November 30, 2016	\$65,633
November 30, 2017	\$65,633

At November 30, 2012, the Company had no outstanding vehicle purchase

commitments over the next twelve months.

**PROVISION FOR  
INCOME TAXES**

**9 Months Ended  
Nov. 30, 2012**

**PROVISION FOR  
INCOME TAXES**

**PROVISION FOR INCOME  
TAXES**

6. PROVISION FOR INCOME TAXES

The Company has no obligation for any federal or state income taxes in the United States. Further, no provision has been made for taxes in South Africa, which has a corporate income tax rate of 28%, for the years ended February 29, 2012 and February 28, 2011 because the taxable losses and loss carryovers exceed the income in those years. At February 29, 2012 and February 28, 2011, respectively, the Company had net losses of approximately \$379,175 and \$431,567 available in South Africa that can be carried forward to offset future taxable income. Due to the uncertainty of future taxable income, the Company has recorded a valuation allowance of 100% of the deferred tax asset, so that our deferred tax asset at both November 30, 2012 and February 29, 2012 was \$0.



## EQUITY

**9 Months Ended  
Nov. 30, 2012**

### EQUITY EQUITY

#### 7. EQUITY

On November 14, 2011 the Company filed a certificate of amendment to the articles of incorporation which caused a 50 for 1 forward common stock split and an increase in authorized common shares to 250,000,000.

On January 19, 2012 the Company cancelled 121,500,000 shares of common stock that were held by Leon Golden, the former owner of Victoria Internet Services, Inc.

As of November 30, 2012 and February 29, 2012 there were 112,250,000 and 112,250,000 common shares outstanding, respectively.

The Company is authorized to issue 20,000,000 preferred shares of stock. As of November 30, 2012 and February 29, 2012 there were no (0) shares outstanding.

**RELATED PARTY  
TRANSACTIONS**

**9 Months Ended  
Nov. 30, 2012**

RELATED PARTY  
TRANSACTIONS  
RELATED PARTY  
TRANSACTIONS

9. RELATED PARTY TRANSACTIONS

The Company engages in activities with parties who hold ownership in the Company. The Company borrows funds from related parties and pays consulting fees to related parties. The related party transactions are as follows:

	November 30, 2012 -----	February 29, 2012 -----
Loans payable to shareholders:		
Cobalt Capital (Pty) Ltd.	\$ 0	\$ 0
G. Yannakopoulos	0	0
G. Hardie	0	1,000
	-----	-----
Total loans payable to related parties	\$ 0	\$ 1,000
	=====	=====
Loans receivable from shareholders		
Cobalt Capital (Pty) Ltd.	\$ 0	\$ 0
M. DuPlessis	0	0
G. Yannakopoulos	0	0
	-----	-----
Total loans receivable from related parties	\$ 0	\$ 0
	=====	=====
Compensation paid to directors		
M. DuPlessis	0	52,482
G. Yannakopoulos	0	52,482
	-----	-----
	\$ 0	\$104,964
	=====	=====

**Property and Equipment  
consist of the following  
(Details) (USD \$)**

**Nov. 30, 2012 Feb. 29, 2012**

<u>Computer equipment</u>	\$ 30,379	\$ 17,757
<u>Computer software</u>	4,840	5,649
<u>Total Computer Equipment And Software</u>	35,219	23,406
<u>Less accumulated depreciation:</u>	(7,851)	(9,164)
<u>Computer Equipment And Software Net</u>	\$ 27,368	\$ 14,242

**MAJOR CLASS  
PROPERTY AND  
EQUIPMENTS (Tables)**

**9 Months Ended**

**Nov. 30, 2012**

MAJOR CLASS  
PROPERTY AND  
EQUIPMENTS  
MAJOR CLASS PROPERTY  
AND EQUIPMENTS

Major classes of property and equipment consist of the following:

	November 30, 2012 -----	February 29, 2012 -----
Computer equipment	\$ 30,379	\$ 17,757
Computer software	4,840	5,649
	-----	-----
	35,219	23,406
Less accumulated depreciation	(7,851)	(9,164)
	-----	-----
	\$ 27,368	\$ 14,242
	=====	=====

**RELATED PARTY  
TRANSACTIONS AND  
ACTIVITIES (Table)**

**9 Months Ended  
Nov. 30, 2012**

RELATED PARTY  
TRANSACTIONS AND  
ACTIVITIES  
RELATED PARTY  
TRANSACTIONS AND  
ACTIVITIES

The related party transactions are as follows:

	November 30, 2012 -----	February 29, 2012 -----
Loans payable to shareholders:		
Cobalt Capital (Pty) Ltd.	\$ 0	\$ 0
G. Yannakopoulos	0	0
G. Hardie	0	1,000
	-----	-----
Total loans payable to related parties	\$ 0	\$ 1,000
	=====	=====
Loans receivable from shareholders		
Cobalt Capital (Pty) Ltd.	\$ 0	\$ 0
M. DuPlessis	0	0
G. Yannakopoulos	0	0
	-----	-----
Total loans receivable from related parties	\$ 0	\$ 0
	=====	=====
Compensation paid to directors		
M. DuPlessis	0	52,482
G. Yannakopoulos	0	52,482
	-----	-----
	\$ 0	\$104,964
	=====	=====

**Operating leases for the  
period were as follows  
(Details) (USD \$)**

**Nov. 30, 2012 Feb. 29, 2012**

<u>Premises</u>	\$ 45,108	\$ 6,487
<u>Motor vehicles.</u>		6,965
<u>Total Premises And Motor Vehicles</u>	\$ 45,108	\$ 13,452

STATEMENTS OF OTHER COMPREHENSIVE INCOME (LOSS) (unaudited) (USD \$)	3 Months Ended		9 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011
<u>Net Income</u>	\$ 257,482	\$ 117,330	\$ 644,829	\$ 271,137
<u>Foreign Currency Translation Change in cumulative translation adjustment</u>	(56,824)	(98,358)	(166,018)	(94,618)
<u>Total</u>	\$ (56,824)	\$ (98,358)	\$ (166,018)	\$ (94,618)

**PROPERTY AND  
EQUIPMENT**

**9 Months Ended  
Nov. 30, 2012**

PROPERTY AND  
EQUIPMENT  
PROPERTY AND  
EQUIPMENT

3. PROPERTY AND EQUIPMENT

Major classes of property and equipment consist of the following:

	November 30, 2012	February 29, 2012
	-----	-----
Computer equipment	\$ 30,379	\$ 17,757
Computer software	4,840	5,649
	-----	-----
	35,219	23,406
Less accumulated depreciation	(7,851)	(9,164)
	-----	-----
	\$ 27,368	\$ 14,242
	=====	=====

During the nine months ended November 30, 2012 and 2011, the Company recorded no provisions for the impairment of assets.



**NATURE OF BUSINESS  
AND PLAN (Details) (USD  
\$) Dec. 07, 2011**

<u>Acquired shares of common stock</u>	78,500,000
<u>Acquired shares of common stock value</u>	\$ 150,000
<u>Balance shares submitted for cancellation</u>	205,000,000

**Installment sales and lease  
contracts (Details) (USD \$)**

**Nov. 30, 2012 Nov. 30, 2011**

<a href="#">Finance lease agreements over revenue generating vehicles</a>	\$ 1,961,559	\$ 370,640
<a href="#">Installment sales and lease contracts are repayable in monthly installments</a>	\$ 16,704	\$ 1,115

**REVENUE-EARNING  
VEHICLES AND  
ACCUMULATED  
DEPRECIATION (Tables)**

**9 Months Ended**

**Nov. 30, 2012**

REVENUE-EARNING  
VEHICLES AND  
ACCUMULATED  
DEPRECIATION  
REVENUE-EARNING  
VEHICLES AND  
ACCUMULATED  
DEPRECIATION

Revenue-earning vehicles consist of the following:

	November 30, 2012	February 29, 2012
	-----	-----
Revenue-earning vehicles	\$ 5,675,646	\$ 4,028,709
Less accumulated depreciation	(1,267,187)	(1,046,649)
	-----	-----
	\$ 4,408,459	\$ 2,982,060
	=====	=====