

Veratex Inc.
Balance Sheet
December 31, 2013

ASSETS

Current Assets		
Cash in Bank (Checking)	\$	1,112.57
Accounts Receivable		115,349.84
Inventory		364,800.00
Loan Receivable (VRTX)		111,816.32
Total Current Assets		593,078.73
Property and Equipment		
Furniture and Fixtures		81,874.00
Accum. Depreciation - Furnitur		<81,874.00>
Total Property and Equipment		0.00
Other Assets		
Total Other Assets		0.00
Total Assets	\$	<u>593,078.73</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	91,057.42
Total Current Liabilities		91,057.42
Long-Term Liabilities		
Loan Payable (CS)		162,803.34
Loan Payable (HSBC)		54,455.16
Loan Payable(CS-MS)		165,000.00
Total Long-Term Liabilities		382,258.50
Total Liabilities		473,315.92
Capital		
Paid-in Capital		125,000.00
Retained Earnings		181,901.43
Net Income		<187,138.62>
Total Capital		119,762.81
Total Liabilities & Capital	\$	<u>593,078.73</u>

Unaudited - For Management Purposes Only

Veratex Inc.
Income Statement
For the Twelve Months Ending December 31, 2013

	Current Month		Year to Date	
Revenues				
Sales (Veratex)	\$ 63,163.23	99.37	\$ 1,073,349.42	100.36
Sales (Factor)	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	0.00	0.00
Administrative Services	400.00	0.63	0.00	0.00
Finance Charge Income	0.00	0.00	0.00	0.00
Sales Returns and Allowances	0.00	0.00	<3,543.48>	<0.33>
Sales Discounts	0.00	0.00	<341.88>	<0.03>
Total Revenues	63,563.23	100.00	1,069,464.06	100.00
Cost of Sales				
Cost of Sales (Package Yarn)	0.00	0.00	18,768.48	1.75
Cost of Sales (Warping)	0.00	0.00	620.00	0.06
Cost of Sales (Beam Yarn)	34,203.87	53.81	455,736.93	42.61
Cost of Sales (Knitting)	10,282.34	16.18	133,167.94	12.45
Cost of Sales (Greige Goods)	0.00	0.00	0.00	0.00
Cost of Sales (D&F)	16,867.68	26.54	243,069.84	22.73
Cost of Sales (Finished Goods)	0.00	0.00	14,239.02	1.33
Cost of Sales (Other)	0.00	0.00	0.00	0.00
Storage and Warehousing	600.40	0.94	7,954.08	0.74
Freight	450.25	0.71	13,022.64	1.22
Total Cost of Sales	62,404.54	98.18	886,578.93	82.90
Gross Profit	1,158.69	1.82	182,885.13	17.10
Expenses				
Bad Debt Expense	0.00	0.00	11,528.86	1.08
Bank Charges	747.13	1.18	1,900.92	0.18
Officer's Salaries	5,666.67	8.92	68,000.04	6.36
Salaries and Wages	8,533.16	13.42	149,181.04	13.95
Depreciation Expense	0.00	0.00	0.00	0.00
Commissions (CD)	0.00	0.00	441.50	0.04
Commissions (JTM)	0.00	0.00	0.00	0.00
Commissions (HS)	0.00	0.00	0.00	0.00
Commissions (JCS)	0.00	0.00	769.83	0.07
Commissions (VD)	0.00	0.00	0.00	0.00
Commissions (RJA)	0.00	0.00	0.00	0.00
Commissions (GS)	171.84	0.27	716.54	0.07
Commissions (LS)	0.00	0.00	0.00	0.00
Dues and Subscriptions Exp	0.00	0.00	0.00	0.00
Truck and Delivery (UPS)	531.63	0.84	4,494.54	0.42
Overnight Mail Service	0.00	0.00	803.40	0.08
Hospitalization and Insurance	<7,545.21>	<11.87>	40,503.21	3.79
Insurance Expense	0.00	0.00	2,563.96	0.24
Interest Expense	0.00	0.00	2,410.76	0.23
Interest Expense (A/R)	0.00	0.00	0.00	0.00
Interest Expense (Factor)	0.00	0.00	0.00	0.00
Commission Expense (Factor)	0.00	0.00	0.00	0.00
Bookkeeping Expense (Factor)	0.00	0.00	0.00	0.00
Legal and Professional Expense	2,016.00	3.17	31,882.00	2.98
Promotion	0.00	0.00	156.09	0.01
Travel	<50.00>	<0.08>	1,849.00	0.17
Research and Development	0.00	0.00	1,955.00	0.18
Office Expense	326.85	0.51	1,889.58	0.18

For Management Purposes Only

Veratex Inc.
Income Statement
For the Twelve Months Ending December 31, 2013

	Current Month		Year to Date	
Payroll Tax Expense	1,106.78	1.74	18,202.37	1.70
NYS Unemployment Tax	0.00	0.00	1,499.52	0.14
Federal Unemployment Tax	0.00	0.00	421.26	0.04
NYS Corporation Tax	0.00	0.00	1,000.00	0.09
NYC Corporation Tax	0.00	0.00	1,588.57	0.15
Postage Expense	53.90	0.08	2,061.25	0.19
Rent Expense	0.00	0.00	16,000.00	1.50
Repairs & Maintenance Expense	413.51	0.65	1,213.51	0.11
Telep. & Long Distance Expense	556.20	0.88	6,455.78	0.60
Garbage Service	0.00	0.00	0.00	0.00
Utilities Expense	96.47	0.15	535.22	0.05
Other Expense	0.00	0.00	0.00	0.00
Gain/Loss on Sale of Assets	0.00	0.00	0.00	0.00
Total Expenses	12,624.93	19.86	370,023.75	34.60
Net Income	\$ <11,466.24>	<18.04>	\$ <187,138.62>	<17.50>

For Management Purposes Only

Veratex Inc.
General Ledger Trial Balance
As of Dec 31, 2013

Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.

Account ID	Account Description	Debit Amt	Credit Amt
10200	Cash in Bank (Checking)	1,112.57	
11000	Accounts Receivable	115,349.84	
12000	Inventory	364,800.00	
14000	Loan Receivable (VRTX)	111,816.32	
15000	Furniture and Fixtures	81,874.00	
17000	Accum. Depreciation - Furn		81,874.00
20000	Accounts Payable		91,057.42
27100	Loan Payable (CS)		162,803.34
27500	Loan Payable (HSBC)		54,455.16
27800	Loan Payable(CS-MS)		165,000.00
39004	Paid-in Capital		125,000.00
39005	Retained Earnings		181,901.43
40000	Sales (Veratex)		1,073,349.42
48000	Sales Returns and Allowanc	3,543.48	
49000	Sales Discounts	341.88	
50000	Cost of Sales (Package Yarn	18,768.48	
50500	Cost of Sales (Warping)	620.00	
51000	Cost of Sales (Beam Yarn)	455,736.93	
57000	Cost of Sales (Knitting)	133,167.94	
58000	Cost of Sales (D&F)	243,069.84	
58500	Cost of Sales (Finished Goo	14,239.02	
59500	Storage and Warehousing	7,954.08	
59600	Freight	13,022.64	
61500	Bad Debt Expense	11,528.86	
62000	Bank Charges	1,900.92	
62500	Officer's Salaries	68,000.04	
63000	Salaries and Wages	149,181.04	
64500	Commissions (CD)	441.50	
64800	Commissions (JCS)	769.83	
64930	Commissions (GS)	716.54	
65500	Truck and Delivery (UPS)	4,494.54	
66000	Overnight Mail Service	803.40	
66500	Hospitalization and Insuranc	40,503.21	
67000	Insurance Expense	2,563.96	
67500	Interest Expense	2,410.76	
68500	Legal and Professional Expe	31,882.00	
69000	Promotion	156.09	
69500	Travel	1,849.00	
70000	Research and Development	1,955.00	
71000	Office Expense	1,889.58	
72000	Payroll Tax Expense	18,202.37	
72500	NYS Unemployment Tax	1,499.52	
73000	Federal Unemployment Tax	421.26	
73100	NYS Corporation Tax	1,000.00	
73200	NYC Corporation Tax	1,588.57	
73500	Postage Expense	2,061.25	
74000	Rent Expense	16,000.00	
74500	Repairs & Maintenance Exp	1,213.51	
76000	Telep. & Long Distance Exp	6,455.78	
78000	Utilities Expense	535.22	
	Total:	1,935,440.77	1,935,440.77