

Form **1120S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**

► Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

► Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.**2012**

For calendar year 2012 or tax year beginning _____, ending _____

A S election effective date 01/01/76	TYPE OR PRINT	Name VERATEX INC	D Employer identification number 13-2804148
B Business activity code number (see instructions) 424300		Number, street, and room or suite no. If a P.O. box, see instructions. 254 FIFTH AVENUE 3RD FLOOR	E Date incorporated 01/01/1976
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code NEW YORK NY 10001	F Total assets (see instructions) \$ 661,563

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year ► **1**

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a 1,514,916	1c 1,496,496	
	b Returns and allowances	1b 18,420		
	c Balance. Subtract line 1b from line 1a		2 1,204,157	
	2 Cost of goods sold (attach Form 1125-A)		3 292,339	
	3 Gross profit. Subtract line 2 from line 1c		4	
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)		5	
	5 Other income (loss) (see instructions—attach statement)		6 292,339	
	6 Total income (loss). Add lines 3 through 5		7 60,533	
Deductions (see instructions for limitations)	7 Compensation of officers		8 179,494	
	8 Salaries and wages (less employment credits)		9 1,670	
	9 Repairs and maintenance		10 17,732	
	10 Bad debts		11 10,500	
	11 Rents		12 22,769	
	12 Taxes and licenses		13 1,961	
	13 Interest		14	
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		15	
	15 Depletion (Do not deduct oil and gas depletion.)		16	
	16 Advertising		17	
	17 Pension, profit-sharing, etc., plans		18 50,950	
	18 Employee benefit programs		19 32,097	
	19 Other deductions (attach statement)		20 377,706	
	20 Total deductions. Add lines 7 through 19		21 -85,367	
	21 Ordinary business income (loss). Subtract line 20 from line 6			
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a	22c	
	b Tax from Schedule D (Form 1120S)	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)			
	23a 2012 estimated tax payments and 2011 overpayment credited to 2012	23a		
	b Tax deposited with Form 7004	23b		
	c Credit for federal tax paid on fuels (attach Form 4136)	23c		
	d Add lines 23a through 23c			
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached			24
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26
27 Enter amount from line 26 Credited to 2013 estimated tax ►		Refunded ► 27		

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
			PRESIDENT

Signature of officer CLAUDE SIMON		Date		
Paid Preparer Use Only	Print/Type preparer's name Allan C Cohn CPA	Preparer's signature Allan C Cohn CPA	Date 03/15/13	Check <input checked="" type="checkbox"/> if self-employed PTIN P00447700
	Firm's name ► Cohn & Langer, CPAs	Firm's EIN ► 45-4014297		
	Firm's address ► 18 Blanche St Plainview, NY 11803-4607	Phone no. 516-702-3002		

For Paperwork Reduction Act Notice, see separate instructions.

Form **1120S** (2012)

Schedule B Other Information (see instructions)

	Yes	No		
1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ►				
2 See the instructions and enter the: a Business activity ► JOBBER b Product or service ► YARN				
3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person?		X		
4 At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		X		
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		X		
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below.		X		
(i) Total shares of restricted stock		►		
(ii) Total shares of non-restricted stock		►		
b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If "Yes," complete lines (i) and (ii) below.		X		
(i) Total shares of stock outstanding at the end of the tax year		►		
(ii) Total shares of stock outstanding if all instruments were exercised		►		
6 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X		
7 Check this box if the corporation issued publicly offered debt instruments with original issue discount If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		► <input type="checkbox"/>		
8 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions)		► \$		
9 Enter the accumulated earnings and profits of the corporation at the end of the tax year.		\$		
10 Does the corporation satisfy both of the following conditions? a The corporation's total receipts (see instructions) for the tax year were less than \$250,000 b The corporation's total assets at the end of the tax year were less than \$250,000 If "Yes," the corporation is not required to complete Schedules L and M-1.		X		
11 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction		\$		
12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X		
13a Did the corporation make any payments in 2012 that would require it to file Form(s) 1099? b If "Yes," did the corporation file or will it file required Forms 1099?		X		

Schedule K Shareholders' Pro Rata Share Items

		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1 - 85,367
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss)	3a
	b Expenses from other rental activities (attach statement)	3b
	c Other net rental income (loss). Subtract line 3b from line 3a	
	4 Interest income	4
	5 Dividends: a Ordinary dividends	5a
	b Qualified dividends	5b
	6 Royalties	6
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7
	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a
	b Collectibles (28%) gain (loss)	8b
	c Unrecaptured section 1250 gain (attach statement)	8c
	9 Net section 1231 gain (loss) (attach Form 4797)	9
	10 Other income (loss) (see instructions) Type ►	10
Deductions	11 Section 179 deduction (attach Form 4562)	11
	12a Charitable contributions	12a
	b Investment interest expense	12b
	c Section 59(e)(2) expenditures (1) Type ►	12c(2)
	d Other deductions (see instructions) Type ►	12d
Credits	13a Low-income housing credit (section 42(j)(5))	13a
	b Low-income housing credit (other)	13b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c
	d Other rental real estate credits (see instructions) Type ►	13d
	e Other rental credits (see instructions) Type ►	13e
	f Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f
	g Other credits (see instructions) Type ►	13g
Foreign Transactions	14a Name of country or U.S. possession ►	14b
	b Gross income from all sources	14c
	c Gross income sourced at shareholder level	
	Foreign gross income sourced at corporate level	
	d Passive category	14d
	e General category	14e
	f Other (attach statement)	14f
	Deductions allocated and apportioned at shareholder level	
	g Interest expense	14g
	h Other	14h
	Deductions allocated and apportioned at corporate level to foreign source income	
	i Passive category	14i
	j General category	14j
	k Other (attach statement)	14k
	Other information	
	l Total foreign taxes (check one): ► <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l
	m Reduction in taxes available for credit (attach statement)	14m
	n Other foreign tax information (attach statement)	
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a
	b Adjusted gain or loss	15b
	c Depletion (other than oil and gas)	15c
	d Oil, gas, and geothermal properties – gross income	15d
	e Oil, gas, and geothermal properties – deductions	15e
	f Other AMT items (attach statement)	15f
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a
	b Other tax-exempt income	16b
	c Nondeductible expenses	16c
	d Distributions (attach statement if required) (see instructions)	16d
	e Repayment of loans from shareholders	16e

Schedule K Shareholders' Pro Rata Share Items (continued)

Other Information			Total amount	
			17a	
			17b	
			17c	
	17a Investment income			
	b Investment expenses			
	c Dividend distributions paid from accumulated earnings and profits			
	d Other items and amounts (attach statement)			
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l		18	-85,367

Schedule L Balance Sheets per Books

		Beginning of tax year	End of tax year
		(a)	(b)
		(c)	(d)
1	Cash		1,687
2a	Trade notes and accounts receivable	3,740	
b	Less allowance for bad debts	233,031	201,680
3	Inventories	(233,031)	201,680
4	U.S. government obligations	233,031	349,380
5	Tax-exempt securities (see instructions)	437,781	
6	Other current assets (attach statement)	285,570	108,816
7	Loans to shareholders		
8	Mortgage and real estate loans		
9	Other investments (attach statement)		
10a	Buildings and other depreciable assets	81,874	81,874
b	Less accumulated depreciation	(81,874)	0
11a	Depletable assets		
b	Less accumulated depletion		
12	Land (net of any amortization)		
13a	Intangible assets (amortizable only)		
b	Less accumulated amortization		
14	Other assets (attach statement)		
15	Total assets	960,122	661,563
	Liabilities and Shareholders' Equity		
16	Accounts payable	345,582	155,241
17	Mortgages, notes, bonds payable in less than 1 year	69,667	71,336
18	Other current liabilities (attach statement)		
19	Loans from shareholders	306,102	281,582
20	Mortgages, notes, bonds payable in 1 year or more		
21	Other liabilities (attach statement)		
22	Capital stock	125,000	125,000
23	Additional paid-in capital		28,404
24	Retained earnings	113,771	
25	Adjustments to shareholders' equity (attach statement)		
26	Less cost of treasury stock		
27	Total liabilities and shareholders' equity	960,122	661,563

Form 1120S (2012)

Form 1120S (2012) VERATEX INC

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more – see instructions

1 Net income (loss) per books	- 85,367	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): a Tax-exempt interest \$	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize)			
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize): a Depreciation \$		6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize): a Depreciation \$	
b Travel and entertainment \$			
4 Add lines 1 through 3	- 85,367	7 Add lines 5 and 6	
		8 Income (loss) (Schedule K, line 18). Line 4 less line 7	- 85,367

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	113,771		
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Loss from page 1, line 21	(85,367)		
5 Other reductions	()		
6 Combine lines 1 through 5	28,404		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	28,404		

Form 1120S (2012)

Form 1125-A

(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

OMB No. 1545-2225

► Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.
► Information about Form 1125-A and its instructions is at www.irs.gov/form1125a.

Name

VERATEX INC

Employer identification number
13-2804148

1	Inventory at beginning of year	
2	Purchases	
3	Cost of labor	
4	Additional section 263A costs (attach schedule)	
5	Other costs (attach schedule)	Stmt 3
6	Total. Add lines 1 through 5	
7	Inventory at end of year	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions)	

9a Check all methods used for valuing closing inventory:

(i) Cost
 (ii) Lower of cost or market
 (iii) Other (Specify method used and attach explanation.) ►

b Check if there was a writedown of subnormal goods ►

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ►

d If the LIFO inventory method was used for this tax year, enter the amount of closing inventory computed under LIFO

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity (see instructions)? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation

9d Yes No

For Paperwork Reduction Act Notice, see instructions.

Form 1125-A (Rev. 12-2012)

VERA4148 VERATEX INC
13-2804148
FYE: 12/31/2012

3/15/2013 4:01 PM

Federal Statements

Statement 1 - Form 1120S, Page 1, Line 19 - Other Deductions

Description	Amount
BANK CHARGES	\$ 1,760
TRUCK & DELIVERY	2,871
LEGAL & PROFESSIONAL	10,035
PROMOTION	929
TRAVEL	4,833
OFFICE SUPPLIES	1,712
POSTAGE	1,690
TELEPHONE	7,017
WASTE REMOVAL	291
UTILITIES	2,235
COMMISSIONS	2,785
INSURANCE	-4,117
DUES & SUBSCRIPTIONS	56
Total	<u>\$ 32,097</u>

VERA4148 VERATEX INC
13-2804148
FYE: 12/31/2012

3/15/2013 4:01 PM

Federal Statements

Statement 2 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
DEPOSITS	\$ 285,570	\$ 108,816
LOAN RECEIVABLE		
Total	\$ 285,570	\$ 108,816

Federal Statements**Statement 3 - Form 1125-A, Line 5 - Other Costs**

Description	Amount
STORAGE	\$ 9,951
FREIGHT	22,470
Total	\$ <u>32,421</u>