

Form 1120S

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0130

2013

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.

For calendar year 2013 or tax year beginning _____, ending _____

A S election effective date 01/01/76	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 or province, country, and ZIP or foreign postal code NEW YORK NY 10001	F Total assets (see instructions) \$ 652,115

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 filedH 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 1,073,349	1c 1,069,464 2 812,123 3 257,341 4 5 6 257,341 7 68,000 8 149,181 9 1,214 10 11,529 11 16,000 12 22,712 13 2,411 14 15 16 17 18 40,503 19 58,475 20 370,025 21 -112,684
	b Returns and allowances	1b 3,885	
	c Balance. Subtract line 1b from line 1a		
	2 Cost of goods sold (attach Form 1125-A)		
	3 Gross profit. Subtract line 2 from line 1c		
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)		
5 Other income (loss) (see instructions—attach statement)			
6 Total income (loss). Add lines 3 through 5			
Deductions (see instructions for limitations)	7 Compensation of officers (see instructions—attach Form 1125-E)		
	8 Salaries and wages (less employment credits)		
	9 Repairs and maintenance		
	10 Bad debts		
	11 Rents		
	12 Taxes and licenses		
	13 Interest		
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		
	15 Depletion (Do not deduct oil and gas depletion.)		
	16 Advertising		
	17 Pension, profit-sharing, etc., plans		
	18 Employee benefit programs		
	19 Other deductions (attach statement)		
	20 Total deductions. Add lines 7 through 19		
	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	
	b Tax from Schedule D (Form 1120S)	22b	
	c Add lines 22a and 22b (see instructions for additional taxes)	22c	
	23a 2013 estimated tax payments and 2012 overpayment credited to 2013	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	23d	
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached	► <input type="checkbox"/>	
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed		
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid		
27 Enter amount from line 26 Credited to 2014 estimated tax ►	Refunded ►		

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
► CLAUDE SIMON			PRESIDENT

Paid Preparer Use Only	Signature of officer CLAUDE SIMON	Date	Title	
	Print/Type preparer's name Allan C Cohn CPA	Preparer's signature Allan C Cohn CPA	Date 02/16/14	Check <input checked="" type="checkbox"/> if self-employed
	Firm's name Cohn & Langer, CPAs			PTIN P00447700
Firm's address 18 Blanche St Plainview, NY	Firm's EIN ► 45-4014297		Phone no. 516-702-3002	

For Paperwork Reduction Act Notice, see separate instructions.

Form 1120S (2013)

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? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation		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				
	(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.	(i) Total shares of restricted stock	►			X
	(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.	(i) Total shares of stock outstanding at the end of the tax year	►			X
	(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.					
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	\$				X
12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions					
13a Did the corporation make any payments in 2013 that would require it to file Form(s) 1099?					X
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
	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	3c
	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 ►	(2) Amount ►
	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 Biofuel producer 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	14d
	Foreign gross income sourced at corporate level	14e
	d Passive category	14f
	e General category	14g
	f Other (attach statement)	14h
	Deductions allocated and apportioned at shareholder level	14i
	g Interest expense	14j
	h Other	14k
	Deductions allocated and apportioned at corporate level to foreign source income	14l
	i Passive category	14m
	j General category	
	k Other (attach statement)	
Other information		
l Total foreign taxes (check one): ► <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		
m Reduction in taxes available for credit (attach statement)		
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	17a Investment income b Investment expenses c Dividend distributions paid from accumulated earnings and profits d Other items and amounts (attach statement)	Total amount	
		17a	
		17b	
		17c	
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	-112,684

Schedule L Balance Sheets per Books

		Beginning of tax year	End of tax year
		(a)	(b)
		(c)	(d)
1	Cash		1,113
2a	Trade notes and accounts receivable	201,680	115,350
b	Less allowance for bad debts	(201,680)	115,350
3	Inventories		423,836
4	U.S. government obligations		
5	Tax-exempt securities (see instructions)		
6	Other current assets (attach statement)	Stmt 2	111,816
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	661,563	652,115
	Liabilities and Shareholders' Equity		
16	Accounts payable	155,241	91,057
17	Mortgages, notes, bonds payable in less than 1 year	71,336	54,455
18	Other current liabilities (attach statement)		
19	Loans from shareholders	281,582	465,883
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		
24	Retained earnings	28,404	-84,280
25	Adjustments to shareholders' equity (attach statement)	()
26	Less cost of treasury stock		
27	Total liabilities and shareholders' equity	661,563	652,115

Form 1120S (2013)

Form 1120S (2013) 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	- 112,684	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
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)		a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$		7 Add lines 5 and 6	
4 Add lines 1 through 3	- 112,684	8 Income (loss) (Schedule K, line 18). Line 4 less line 7	- 112,684

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	28,404		
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Loss from page 1, line 21	(112,684)		
5 Other reductions	()		
6 Combine lines 1 through 5	- 84,280		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	- 84,280		

Form 1120S (2013)

1125-A

Form

(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 INCEmployer 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)	.....				
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)	<input checked="" type="checkbox"/> Cost	.....				
(ii)	<input type="checkbox"/> Lower of cost or market	.....				
(iii)	<input type="checkbox"/> Other (Specify method used and attach explanation.) ►	.....				
b	Check if there was a writedown of subnormal goods					► <input type="checkbox"/>
c	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)					► <input type="checkbox"/>
d	If the LIFO inventory method was used for this tax year, enter the amount of closing inventory computed under LIFO	.....					9d <input type="checkbox"/>
e	If property is produced or acquired for resale, do the rules of section 263A apply to the entity (see instructions)?					<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation					<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

For Paperwork Reduction Act Notice, see instructions.

Form **1125-A** (Rev. 12-2012)

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

For calendar year 2013, or tax
year beginning _____
ending _____

2013

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) -112,684	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information

* See attached statement for additional information.

Form **1125-E**

(Rev. December 2013)

Department of the Treasury
Internal Revenue Service

Compensation of Officers

► Attach to Form 1120, 1120-C, 1120-F, 1120-REIT, 1120-RIC, or 1120S.

► **Information about Form 1125-E and its separate instructions is at www.irs.gov/form1125e.**

OMB No. 1545-2225

Name _____

VERATEX INC

Employer identification number
13-2804148

Note. Complete Form 1125-E only if total receipts are \$500,000 or more. See instructions for definition of total receipts.

For Paperwork Reduction Act Notice, see separate instructions.

Form 1125-E (Rev. 12-2013)

Federal Statements

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

Description	Amount
BANK CHARGES	\$ 1,901
TRUCK & DELIVERY	5,298
LEGAL & PROFESSIONAL	31,882
PROMOTION	156
TRAVEL	1,849
OFFICE SUPPLIES	1,890
POSTAGE	2,061
TELEPHONE	6,456
WASTE REMOVAL	
UTILITIES	535
COMMISSIONS	1,928
INSURANCE	2,564
DUES & SUBSCRIPTIONS	
RESEARCH AND DEVELOPMENT	1,955
Total	\$ <u>58,475</u>

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

Description	Beginning of Year	End of Year
DEPOSITS	\$	\$
LOAN RECEIVABLE	<u>108,816</u>	<u>111,816</u>
Total	\$ <u>108,816</u>	\$ <u>111,816</u>

VERA4148 VERATEX INC
13-2804148
FYE: 12/31/2013

2/16/2014 1:10 PM

Federal Statements

Statement 3 - Form 1125-A, Line 5 - Other Costs

Description	Amount
STORAGE	\$ 7,954
FREIGHT	13,023
Total	<u>20,977</u>