

**JASCH NORTH AMERICA
COMPANY**

CONSOLIDATED

CONSOLIDATING BALANCE SHEET

2014

AS OF THE DATES INDICATED

December 31

ASSETS:

Current Assets:	
Cash - Checking	\$ 142,061.00
Money Market-Alpine	\$ 479.00
Accounts Receivable	\$ 275,361.00
Deposits - Current	\$ 745.00
Due from/(to) Jasch North America Corporation	\$ -
Prepaid Sales and Othe Expenses	\$ 1,546.00
Inventory - Parts Acquired at Cost	\$ 247,712.00
Work In Process - Sub-Assemblies of Parts - At Co	\$ 69,530.00
Finished Goods - at Cost	\$ -
Testing Equipments	\$ 135,132.00
Undeposited Funds	\$ -
Total Current Assets	\$ 872,566.00
Property and Equipment:	
Computer Software	\$ 22,526.00
Office Furniture and Equipment	\$ 40,449.00
Machinery and Equipment	\$ 10,353.00
Land	\$ 38,575.00
Building	\$ 347,182.00
Less: Accumulated Depreciation	\$ (54,111.00)
Property and Equipment	\$ 404,974.00
Other Assets:	
Goodwill	\$ 1,001,101.00
Less: Accumulated Amortization	\$ (200,061.00)
Security Deposits	\$ (75.00)
Prepaid Loan Costs - Net	\$ 2,338.00
Investment in INDEV	\$ -
Equity in Income of INDEV	\$ -
Net Other Assets	\$ 803,303.00
Total Assets	\$ 2,080,843.00
Liabilities and Stockholders' Equity	
Current Liabilities:	
Accounts Payable	\$ 306,644.00
Credit Card Due To AX	\$ -
Commissions Payable - B. Johnson	\$ -
Rplacement tax Payble	\$ (730.00)
Accrued Interest - Note Payable - Yang Yanfen	\$ -
Due to American Express - M Lee	\$ (48.00)
Sales Tax Payable	\$ 82.00
Accrued Real Estate Taxes	\$ 4,752.00
Accrued and Withheld FICA and Federal Income T	\$ -
Income Tax Wtihheld - All States	\$ 16.00
Accrued Unemployment Taxes - All States	\$ (2,990.00)
Accrued Pension	\$ 12,198.00
Accrued Liabilities	\$ 75,000.00
Wage Garnishment	\$ 209.00
Deferred Revenue - Progress Billings	\$ 181,970.00
Due to INDEV Guaging Systems Inc.	\$ -
Note Payable to Alpine Bank - Line of Credit	\$ 210,000.00
Current Portion of Long-Term Debt	\$ 7,250.00
Total Current Liabilities	\$ 794,353.00
Long-Term Debt:	
Note Payable - Ynag Yanfen - Subordinated to Bai	\$ -
Advance - Yang Yanfen - Subordinated to Bank De	\$ -
Mortgage Note Payable to Alpine Bank	\$ 246,867.00
Less: Current Portion Due WithIn One Year	\$ (7,250.00)
Total Long-Term Debt - Subordinated	\$ 239,617.00
Total Liabilities	\$ 1,033,970.00
Stockholders' Equity:	
Common Stock	\$ 1,000.00
Additional Paid in Capital	\$ 999,000.00
Retained Earnings/ (Deficit):	\$ -
Beginning of the Year	\$ 46,210.00
Current Year Profit/(Loss)	\$ 663.00
Total Stockholders' Equity	\$ 1,046,873.00
Total Liabilities and Stockholders' Equity	\$ 2,080,843.00

**JASCH NORTH AMERICA COMPANY
& WHOLLY-OWNED SUBSIDIARY**

CONSOLIDATED

CONSOLIDATING STATEMENT OF INCOME

FOR THE PERIODS ENDED AS SHOWN

2014

Year
Ended

December 31

Sales:

Hardware Sales (Purchased Hardware)	\$ 1,048,969.00
Software - (External)	\$ 299,953.00
Software - Internal (Software Developed - group)	\$ -
Subcontracted Services - (Subcontractors)	\$ -
Phone support	\$ 1,415.00
Source Inspection Services	\$ 92,473.00
Source Reclamations	\$ 92,927.00
Field Services (Employee Labor)	\$ 148,902.00
Travel Expenses Charged to Customers	\$ 37,452.00
Administrative Charge	\$ 911.00
Deferred revenue progress billing	\$ -
Late Fee	\$ 7.00
Total Sales	\$ 1,723,009.00

Cost of Goods Sold:

Hardware Purchases	\$ 374,862.00
Software Purchased - Internal (software Dev. - gr	\$ -
Subcontracted Services - (Subcontractors)	\$ 81,964.00
Internal Company Services	\$ 4,000.00
Source Inspection Expense (Expenses for Service:	\$ 12,200.00
Freight Charges (Freight Charges Pd. Out for Mat	\$ 53,322.00
Travel Expenses	\$ -
Direct Labor	\$ -
Payroll Taxes - FICA	\$ -
Unemployment Taxes	\$ 7,905.00
Insurance - Health	\$ 4,971.00
Miscellaneous	\$ -
Change in Inventories	\$ -
Shop Tools	\$ 46.00
Pension Expense	\$ 11,067.00
Total cost of Goods sold	\$ 550,337.00
Gross Profit	\$ 1,172,672.00

68.06

Rental Income

\$ -

Equity in Income of INDEV Gauging Systems Inc.

\$ -

Less Expenses:

General & Administrative Expenses - see Page 4	\$ 881,983.00
Sales Expense Reports - see Page 4	\$ 68,992.00
Marketing Expenses - see Page 4	\$ 42,504.00
Service Expenses - see Page 4	\$ 105,007.00
Employer Insurance Part	\$ 35,858.00
Moving Expenses	\$ -
Office Expense Reports (Combined)	\$ -
Website Expense	\$ 11,283.00
Security Expense	\$ -
State Income Taxes Expense	\$ 1,153.00
Federal Income Tax Expense	\$ 60.00
Interest - Mortgage and other	\$ 25,169.00
Loan Interest to Yang Yanfen	\$ -

1,172,009.00

Net Income/(Loss)

\$ 663.00

**JASCH NORTH AMERICA
COMPANY
& WHOLLY-OWNED SUBBIDIARY**

**CONSOLIDATING SCHEDULES OF
GENERAL &
ADMINISTRATION EXPENSES SALES
EXPENSE
REPORTS MARKETING EXPENSES AND
SERVICE EXPENSES.**

FOR THE PERIODS ENDED AS SHOWN

CONSOLIDATED

2014

For The Year
Ended

December 31

General & Administrative Expenses:

Equipment Rental	\$	742.00
Outside Services	\$	4,478.00
Internet Fees	\$	464.00
Freight & Postage	\$	6,511.00
Leased Employee	\$	12,144.00
Rent	\$	-
Electric	\$	6,358.00
Gas	\$	7,252.00
Sewer	\$	67.00
Disposal	\$	1,172.00
Water and Garbage	\$	306.00
Phone/Page	\$	15,853.00
Repairs & Maintenance	\$	3,791.00
Show Expenses	\$	700.00
Directors Fee	\$	4,500.00
Advertising	\$	-
Auto Expenses	\$	-
Travel Expenses	\$	-
Travel - Meals	\$	35.00
Sales Tax Paid	\$	-
License & Fees	\$	2,015.00
Vehicle Expense	\$	-
Training Expenses	\$	2,386.00
Shop Expenses	\$	1,613.00
Small Tools	\$	-
Legal & Accounting	\$	9,272.00
Postage	\$	629.00
Office Supplies/Expense	\$	9,367.00
Radiation Monitoring	\$	975.00
HRA Expens	\$	500.00
401K Expen:	\$	1,500.00
Insurance	\$	6,942.00
Life Insurance	\$	3,580.00
Workers Compension	\$	18,844.00
Insurance - Health	\$	9,868.00
Insurance - Disability	\$	3,327.00
Goodwill Amortization	\$	66,740.00
Depreciation	\$	20,744.00
Property Tax Expense	\$	(386.00)
Dues And Subscription	\$	55.00
Security Expense	\$	-
Mileage Reimbursement	\$	376.00
IT - Computer Service	\$	4,068.00
Bank & Credit Card Expenses	\$	2,835.00
Job Recruitment Expenses	\$	1,436.00
Salaries & Wages (Including holiday)	\$	593,266.00
Taxes - FICA	\$	45,626.00

Taxes - Unemployment	\$	342.00
Auto Allowance	\$	11,400.00
Holiday Exp	\$	290.00
I General & Administrative Expenses	\$	<u>881,983.00</u>
Sales Expense Reports:		
Travel	\$	36,205.00
Meals	\$	12,984.00
Milage Reimbursement	\$	4,431.00
Auto Expense	\$	6,875.00
Trade Show	\$	-
Office Expense	\$	2,718.00
Miscellaneous	\$	279.00
Commissions	\$	5,500.00
Total Sales Expense Report	\$	<u>68,992.00</u>
Marketing Expenses:		
Travel and Meals	\$	-
Trade Show	\$	37,396.00
Miscellaneous	\$	153.00
Subscriptions	\$	2,230.00
Software	\$	101.00
Marketing & Leads	\$	2,081.00
Folder and Brouchers	\$	543.00
Total Marketing Expenses	\$	<u>42,504.00</u>
Service Expenses:		
Travel	\$	81,301.00
Meals	\$	8,629.00
Mileage	\$	14,115.00
Miscellaneous	\$	35.00
Service Expanxe Reports	\$	-
License & Permits	\$	50.00
Small Tools	\$	677.00
Auto Expenses	\$	200.00
Total Service Expenses	\$	<u>105,007.00</u>