

JASCH NORTH AMERICA COMPANY & WHOLLY OWNED SUBSIDIARY INDEV GAUGING SYSTEMS, INC.

CONSOLIDATED BALANCE SHEET AS AT 31.03.2016

(Period from 01.01.2015 to 31.03.2016)

March 31, 2016

<u>ASSETS:</u>		
<b>Current Assets:</b>		
Cash - Checking	\$	53,885
Money Market-Alpine	\$	-
Accounts Receivable	\$	32,518
Deposits - Current	\$	745
Due from/(to) Jasch North America Corporation	\$	-
Prepaid Sales and Other Expenses	\$	1,546
Inventory - Parts Acquired at Cost	\$	337,158
Work In Process - Sub-Assemblies of Parts - At Cost	\$	78,000
Finished Goods - at Cost	\$	-
Testing Equipment	\$	135,132
Undeposited Funds	\$	50
<b>Total Current Assets</b>	<b>\$</b>	<b>639,034</b>
<b>Property &amp; Equipment</b>		
Software	\$	48,526
Office Furniture and Equipment	\$	41,870
Machinery and Equipment	\$	16,502
Land	\$	38,575
Building	\$	347,182
Less: Accumulated Depreciation	\$	-81,876
<b>Net Property and Equipment</b>	<b>\$</b>	<b>410,779</b>
<b>Other Assets:</b>		
Goodwill	\$	1,001,101.00
Less: Accumulated Amortization	\$	-295,958.00
Security Deposits	\$	-75.00
Prepaid Loan Costs - Net	\$	2,338.00
Investment in INDEV	\$	-
Equity in Income of INDEV	\$	-
<b>Net Other Assets</b>	<b>\$</b>	<b>707,406.00</b>
<b>Total Assets</b>	<b>\$</b>	<b>1,757,219.00</b>
<b>Liability &amp; Stockholders' Equity</b>		
<b>Current Liability</b>		
Accounts Payable	\$	276,144.00
Credit Cards Due To AX	\$	-31.00
Commissions Payable - B. Johnson	\$	-
Replacement Tax Payable	\$	-730.00
Federal and State Corporate Income Taxes	\$	2,504.00
Sales Tax Payable	\$	-
Accrued Real Estate Taxes	\$	9,786.00
Accrued and Withheld FICA and Federal Income Taxes	\$	-
Income Tax Withheld - All States	\$	16.00
Accrued Unemployment Taxes - All States	\$	-2,703.00
Accrued Pension	\$	2,873.00
Accrued Liabilities	\$	52,000.00
Wage Garnishment	\$	112.00
Deferred Revenue - Progress Billings	\$	79,974.00
Due to INDEV Gauging Systems, Inc.	\$	-
Note Payable to Alpine Bank - Line Of Credit	\$	245,000.00
Current Portion of Long-Term Debt	\$	8,500.00
<b>Total Current Liabilities</b>	<b>\$</b>	<b>673,445.00</b>
<b>Long-Term Debt:</b>		
Mortgage Note Payable to Alpine Bank	\$	230,790.00
Less: Current Portion Due Within One Year	\$	-8,500.00
<b>Total Long-Term Debt - Subordinated</b>	<b>\$</b>	<b>222,290.00</b>
<b>Total Liabilities</b>	<b>\$</b>	<b>895,735.00</b>
<b>Stockholder Equity:</b>		
Common Stock	\$	1,000.00
Additional Paid In Capital	\$	999,000.00
Retained Earnings/(Deficit):		
January 1, 2015	\$	46,873.00
Year Ended December 31, 2015	\$	23,483.00
3 Months Ended March 31, 2016	\$	-208,872.00
<b>Total Stockholders' Equity</b>	<b>\$</b>	<b>861,484.00</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$</b>	<b>1,757,219.00</b>

JASCH NORTH AMERICA COMPANY AND WHOLLY OWNED SUBSIDIARY INDEV GAUGING  
SYSTEMS, INC.

CONSOLIDATING STATEMENT OF OPERATIONS AND RETAINED EARNINGS FOR THE PERIOD  
FROM 01.01.2015 TO 31.03.2016

	CONSOLIDATED
	15 Months Ended March 31, 2016
<b>Sales:</b>	
Hardware and Software	\$ 2,070,329
Phone Support	\$ 200
A (Fabrication of Controls/Scanner)	\$ -671
Source Inspection Service	\$ 117,240
Source Reclamations	\$ 75,560
Field Services (Employee Labor)	\$ 189,879
Travel Expenses Charged to Customers	\$ 37,580
Administrative Charges	\$ 1,266
<b>Total Sale</b>	<b>\$ 2,491,383</b>
<b>Cost of Goods Sold:</b>	
Hardware Purchases	\$ 895,696
Subcontracted Service (Subcontractors)	\$ 90,062
Source Inspection Expence (Expenses for Services)	\$ 1,260
Freight Charges (Freight Charges Pd. Out of Material)	\$ 1,298
Freight Bills	\$ 37,317
Unemployment Taxes	\$ 6,887
Insurance - Health	\$ 61,119
Source Reclamation Expense	\$ 64,513
Pension Expenses	\$ 18,565
Miscellaneous	\$ 973
Shop Tools	\$ 4,251
Radiation Licenses	\$ 11,079
<b>Total Cost of Goods Sold</b>	<b>\$ 1,193,020</b>
<b>Gross Profit</b>	<b>\$ 1,298,363</b>
	52.1%
Rental Income	\$ -
Equity in Income of INDEV Gauging Systems, INC	\$ -
<b>Less Expenses</b>	
General & Administrative Expenses - see Page 4	\$ 1,181,799
Sales Expenses -see Page 4	\$ 60,048
Marketing Expenses - see Page 4	\$ 87,480
Service Expenses - see Page 4	\$ 115,945
Employer Insurance Part	\$ -
Moving Expenses	\$ -
Office Expenses Reports (Combined)	\$ -
Website Expenses	\$ 9,185
Security Expenses	\$ -
State Income Taxes Expenses	\$ 899
Federal Income Tax Expenses	\$ 1,659
Interest - Mortgage and other	\$ 26,736
<b>Net Income(Loss)</b>	<b>\$ -185,388</b>
<b>Retained Earnings:</b>	
Balance- Beginning of Period	\$ 46,873
Balance- End of Period	\$ -138,513

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

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CONSOLIDATING SCHEDULES OF GENERAL & ADMINISTRATION EXPENSES, SALES EXPENSES, MARKETING EXPENSES, AND SERVICE EXPENSES	CONSOLIDATED  15 Months Ended March 31, 2016
<b>General &amp; Administrative Expenses:</b>	
Equipment Rental	\$ 1,055
Outside Services	\$ 4,833
Internet Fee	\$ 543
Freight & Postage	\$ 32,829
Leased Employees	\$ 15,684
Rent	\$ -
Rent (Colorado)	\$ 4,280
Electric	\$ 11,337
Gas	\$ 9,516
Sewer	\$ 75
Disposal	\$ 1,463
Water and Garbage	\$ 600
Phone/Pagers	\$ 17,327
Repairs & Maintenance	\$ 4,361
Show Expenses	\$ 1,600
Directors Fees	\$ 22,500
Auto Expenses	\$ -
Travel Expenses	\$ 1,735
Travel - Meals	\$ -
Sales Tax Paid	\$ -
License & Fees	\$ 1,078
Vehicle Expense	\$ -
Training Expenses	\$ -
Shop Expenses	\$ 4,025
Small Tools	\$ -
Legal & Accounting	\$ 24,030
Postage	\$ -
Office Supplies/Expense	\$ 8,972
Radiation Monitoring	\$ 1,193
HRA Expense	\$ -
401K Expense	\$ 1,875
Insurance	\$ 8,347
Life Insurance	\$ 6,630
Workers Comp	\$ 6,980
Insurance - Health	\$ 12,232
Insurance - Disability	\$ -
Goodwill Amortization	\$ 95,897
Depreciation	\$ 27,643
Property Tax Expense	\$ 20,400
Dues & Subscriptions	\$ 83
Security Expense	\$ -
Mileage Reimbursement	\$ 1,389
IT - Computer Service	\$ 6,508
Bank & Credit Card Expenses	\$ 2,456
Job Recruitment Expenses	\$ 1,000
Salaries & Wages (including Holiday)	\$ 734,690
Taxes - FICA	\$ 58,767
Taxes - Unemployment	\$ 7,794
Auto Allowance	\$ 19,710
Holiday Expense	\$ 361
<b>Total General &amp; Administrative Expenses</b>	<b>\$ 1,181,798</b>
<b>Sales Expenses:</b>	
Travel	\$ 37,608
Meals	\$ 6,788

Mileage Reimbursement	\$	21	
Auto Expense	\$	3,198	
Trade Show	\$	1,389	
Office Expense	\$	1,279	
Miscellaneous	\$	-	
Commissions	\$	5,283	
Dues and Subscriptions	\$	4,481	
			<b>Total Sales Expenses</b>
			<b>\$ 60,047</b>
<b>Marketing Expenses:</b>			
Advertising	\$	12,600	
Travel and Meals	\$	4,023	
Trade Show	\$	46,400	
Miscellaneous	\$	-	
Website Design	\$	4,660	
Subscriptions	\$	11,538	
Software	\$	-	
Marketing and Leads	\$	448	
Folders and Brochures	\$	7,811	
			<b>Total Marketing Expenses</b>
			<b>\$ 87,480</b>
<b>Service Expenses:</b>			
Travel	\$	83,203	
Meals	\$	6,059	
Mileage	\$	18,633	
Miscellaneous	\$	2,266	
Service Expense Reports	\$	345	
License and Permits	\$	4,867	
Small Tools	\$	572	
Auto Expenses	\$	-	
			<b>Total Service Expenses</b>
			<b>\$ 115,945</b>