

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DelawareIn re TPC Int'l et alCase No. 13-12050
Reporting Period: 11-1-2013 to 11-30-2013

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No	Document Attached	Explanation Attached	Affidavit/Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1			
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a			
Schedule of Professional Fees Paid	MOR-1b			
Copies of bank statements				
Cash disbursements journals				
Statement of Operations	MOR-2			
Balance Sheet	MOR-3			
Status of Postpetition Taxes	MOR-4			
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4			
Listing of aged accounts payable	MOR-4			
Accounts Receivable Reconciliation and Aging	MOR-5			
Debtor Questionnaire	MOR-5			

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date

Signature of Authorized Individual*

Date

Printed Name of Authorized Individual

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

MOR
(04/07)

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Uniformity, Inc.**Balance Sheet**

November 30, 2013 and November 30, 2012

Unaudited**ASSETS**

	<u>Current Year</u>	<u>Previous Year</u>
Current assets:		
Cash in Bank The Private Bank	124,759.28	20,727.93
Petty Cash	657.06	467.06
Note Receivable	1,000.00	1,000.00
Accounts Receivable	185,708.41	478,502.06
Allowance for Doubtful Accounts	(59,139.83)	(42,093.65)
Accounts Receivable Accrued	(2,936.14)	(6,777.78)
Inventory	984,631.91	1,425,309.67
Obsolete Inventory Reserve	(333,880.89)	(500,000.00)
Prepaid Expenses	14,011.82	14,634.34
Total current assets	<u>914,811.62</u>	<u>1,391,769.63</u>
Fixed assets:		
Leasehold Improvements	56,956.08	56,956.08
Office Furniture	85,116.06	85,116.06
Furniture and Equipment	114,779.88	114,779.88
Computer Equipment & Software	13,231.20	13,231.20
<i>Less accumulated depreciation</i>	<u>253,462.37</u>	<u>245,748.55</u>
Net Fixed assets:	<u>16,620.85</u>	<u>24,334.67</u>
Other assets:		
Deposit Lease	12,603.04	12,603.04
Deposit Utilities	150.00	150.00
	<u>12,753.04</u>	<u>12,753.04</u>
	<u><u>944,185.51</u></u>	<u><u>1,428,857.34</u></u>

Uniformity, Inc.**Balance Sheet**

November 30, 2013 and November 30, 2012

Unaudited**LIABILITY AND SHAREHOLDER'S EQUITY**

	<u>Current Year</u>	<u>Previous Year</u>
Current liabilities:		
Accounts Payable Trade	255,361.79	752,768.70
Accounts Payable Clearing	6,191.89	28,610.64
Sales Tax W/H Illinois	8,300.64	10,771.72
Unearned Revenue	3,758.43	4,032.90
Total current liabilities	<u>273,612.75</u>	<u>796,183.96</u>
Long term liabilities:		
Loan Payable IPC	1,247,626.22	1,195,992.27
	<u>1,247,626.22</u>	<u>1,195,992.27</u>
Shareholder's equity:		
Common Stock Outstanding	1,000.00	1,000.00
Retained Earnings	(553,300.74)	(600,060.40)
Profit (loss) for period	(24,752.72)	35,741.51
Total shareholder's equity	<u>(577,053.46)</u>	<u>(563,318.89)</u>
	<u>944,185.51</u>	<u>1,428,857.34</u>

Uniformity, Inc.**Statement of Earnings**

For The 2 Periods Ending November 30, 2013 and November 30, 2012

Unaudited

	Current Month	%	Prior Year Month	%	Current Year Year-To-Date	%	Prior Year Year-To-Date	%
Revenue:								
Shirts Revenue	45,229.31	26.66%	78,757.13	29.55%	120,258.22	33.34%	198,309.66	30.76%
Pants Revenue	31,101.69	18.33%	45,711.81	17.15%	91,182.28	25.28%	146,103.37	22.66%
Shoes Revenue	11,216.09	6.61%	4,455.64	1.67%	16,648.39	4.62%	8,369.34	1.30%
Leather Revenue	6,284.70	3.70%	12,529.01	4.70%	12,105.05	3.36%	30,744.73	4.77%
Other Revenue	88,333.48	52.06%	145,035.71	54.42%	133,692.24	37.06%	292,636.31	45.39%
Shipping Revenue	2,345.61	1.38%	11,941.28	4.48%	7,499.79	2.08%	23,719.21	3.68%
Sales Discounts & Allowances	(14,830.89)	-8.74%	(31,929.67)	-11.98%	(20,666.33)	-5.73%	(55,182.69)	-8.56%
Total Revenue:	169,679.99	100.00%	266,500.91	100.00%	360,719.64	100.00%	644,699.93	100.00%
COGS:								
COGS Shirts	74,287.01	43.78%	56,691.06	21.27%	129,223.83	35.82%	143,090.32	22.19%
COGS Pants	44,963.41	26.50%	36,966.07	13.87%	94,180.89	26.11%	119,632.75	18.56%
COGS Shoes	25,516.50	15.04%	2,679.10	1.01%	30,635.84	8.49%	5,285.65	0.82%
COGS Leather	8,650.20	5.10%	9,974.51	3.74%	13,338.70	3.70%	24,137.00	3.74%
COGS Other	101,293.94	59.70%	93,317.31	35.02%	141,207.04	39.15%	207,943.60	32.25%
COGS Shipping	6,996.07	4.12%	12,275.15	4.61%	16,459.34	4.56%	22,564.10	3.50%
Purchase Returns & Allowances	(92,027.14)	-54.24%	(670.02)	-0.25%	(93,096.65)	-25.81%	(2,463.41)	-0.38%
Total Cost of Sales:	169,679.99	100.00%	211,233.18	79.26%	331,948.99	92.02%	520,190.01	80.69%
Gross profit	0.00	0.00%	55,267.73	20.74%	28,770.65	7.98%	124,509.92	19.31%
Operating Expenses:	897.06	0.53%	4,465.88	1.68%	794.35	0.22%	5,849.90	0.91%
Sales/Marketing Expenses:	1,355.56	0.80%	2,561.05	0.96%	2,258.43	0.63%	3,568.86	0.55%
General Administrative Expenses:	25,307.56	14.91%	39,382.70	14.78%	50,539.59	14.01%	79,349.65	12.31%
Total Expenses:	27,560.18	16.24%	46,409.63	17.41%	53,592.37	14.86%	88,768.41	13.77%
Other Income and expenses:								
Miscellaneous Income	0.00	0.00%	0.00	0.00%	69.00	0.02%	0.00	0.00%
	0.00	0.00%	0.00	0.00%	69.00	0.02%	0.00	0.00%
Earnings (loss) before income taxes	0.00	0.00%	0.00	0.00%	69.00	0.02%	0.00	0.00%
Provision for income taxes:								
	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Net earnings (loss) for period	(27,560.18)	-16.24%	8,858.10	3.32%	(24,752.72)	-6.86%	35,741.51	5.54%

Operating Expense Schedule Detail:

Administrative Salaries	686.00	0.40%	12,730.00	4.78%	686.00	0.19%	25,575.89	3.97%
Advertising/Promotion Expense	1,319.35	0.78%	316.31	0.12%	1,619.34	0.45%	370.81	0.06%
Marketing Trade Show Expense	0.00	0.00%	65.00	0.02%	0.00	0.00%	65.00	0.01%
Bad Debt Expense	2,000.00	1.18%	2,000.00	0.75%	4,000.00	1.11%	4,000.00	0.62%
Merchant Processing Fees	474.55	0.28%	527.83	0.20%	868.99	0.24%	698.98	0.11%
Contributions	0.00	0.00%	43.46	0.02%	0.00	0.00%	43.46	0.01%
Shipping Supplies Expense	0.00	0.00%	2,492.32	0.94%	553.98	0.15%	2,798.61	0.43%
Depreciation	1,900.00	1.12%	1,900.00	0.71%	3,800.00	1.05%	3,800.00	0.59%
Dues & Subscription Expense	0.00	0.00%	0.00	0.00%	105.00	0.03%	105.00	0.02%
Employment Expenses	0.00	0.00%	23.50	0.01%	0.00	0.00%	23.50	0.00%
Employment Exp Advertising	0.00	0.00%	25.00	0.01%	0.00	0.00%	25.00	0.00%
Equipment Leasing & Rental	0.00	0.00%	64.00	0.02%	480.00	0.13%	544.00	0.08%
Service Agreement Expense	298.29	0.18%	0.00	0.00%	896.68	0.25%	649.36	0.10%
Equipment / Supplies Expense	264.33	0.16%	2,686.14	1.01%	803.53	0.22%	4,212.77	0.65%
Equipment Vendor Cost SetUp	0.00	0.00%	75.00	0.03%	0.00	0.00%	75.00	0.01%
Meals	36.21	0.02%	524.33	0.20%	68.89	0.02%	1,158.33	0.18%
Gas / Tolls / Parking	0.00	0.00%	1,187.40	0.45%	352.00	0.10%	1,978.05	0.31%
Corporate Lodging	0.00	0.00%	426.01	0.16%	0.00	0.00%	426.01	0.07%
Flowers Gifts	0.00	0.00%	104.24	0.04%	0.00	0.00%	104.24	0.02%
Business Insurance	1,059.08	0.62%	1,142.17	0.43%	2,118.16	0.59%	2,284.34	0.35%
Computer Consulting	125.00	0.07%	125.00	0.05%	250.00	0.07%	250.00	0.04%
Accounting Fees	750.00	0.44%	750.00	0.28%	1,500.00	0.42%	1,500.00	0.23%
Office Supplies Expense	327.16	0.19%	2,145.36	0.81%	1,359.55	0.38%	3,818.53	0.59%
Penalties	0.00	0.00%	0.00	0.00%	0.97	0.00%	0.00	0.00%
Postage & Mailing Expense	200.00	0.12%	0.00	0.00%	298.63	0.08%	500.00	0.08%
Printing Costs	0.00	0.00%	0.00	0.00%	0.00	0.00%	174.70	0.03%
Rent Expense	14,112.20	8.32%	13,855.10	5.20%	28,224.40	7.82%	27,710.20	4.30%
Internet Expense	567.92	0.33%	29.95	0.01%	796.84	0.22%	209.87	0.03%
Telephone Expense	1,019.85	0.60%	929.10	0.35%	2,039.25	0.57%	1,872.20	0.29%
Cell Phone / Blackberry Expense	0.00	0.00%	297.97	0.11%	250.88	0.07%	551.05	0.09%
Uniform Expense	897.06	0.53%	65.62	0.02%	0.00	0.00%	119.37	0.02%
Utilities Expense	1,523.18	0.90%	1,878.82	0.70%	2,519.28	0.70%	3,126.14	0.48%
Total Cost and Expenses:	27,560.18	16.24%	46,409.63	17.41%	53,592.37	14.86%	88,768.41	13.77%

Shipping Supplies Expense	0.00	0.00%	2,492.32	0.94%	553.98	0.15%	2,798.61	0.43%
Equipment / Supplies Expense	0.00	0.00%	1,485.83	0.56%	240.37	0.07%	2,509.81	0.39%
Equipment Vendor Cost SetUp	0.00	0.00%	75.00	0.03%	0.00	0.00%	75.00	0.01%
Meals	0.00	0.00%	347.11	0.13%	0.00	0.00%	347.11	0.05%
Uniform Expense	897.06	0.53%	65.62	0.02%	0.00	0.00%	119.37	0.02%
Total Operating Expenses Detail:	897.06	0.53%	4,465.88	1.68%	794.35	0.22%	5,849.90	0.91%

Advertising/Promotion Expense	1,319.35	0.78%	316.31	0.12%	1,619.34	0.45%	370.81	0.06%
Marketing Trade Show Expense	0.00	0.00%	65.00	0.02%	0.00	0.00%	65.00	0.01%
Contributions	0.00	0.00%	43.46	0.02%	0.00	0.00%	43.46	0.01%
Equipment / Supplies Expense	0.00	0.00%	178.00	0.07%	0.00	0.00%	185.90	0.03%
Meals	36.21	0.02%	161.89	0.06%	36.21	0.01%	161.89	0.03%
Gas / Tolls / Parking	0.00	0.00%	1,126.40	0.42%	352.00	0.10%	1,915.05	0.30%
Corporate Lodging	0.00	0.00%	426.01	0.16%	0.00	0.00%	426.01	0.07%
Cell Phone / Blackberry Expense	0.00	0.00%	243.98	0.09%	250.88	0.07%	400.74	0.06%
Total Sales/Marketing Expenses Detail:	1,355.56	0.80%	2,561.05	0.96%	2,258.43	0.63%	3,568.86	0.55%
Administrative Salaries	686.00	0.40%	12,730.00	4.78%	686.00	0.19%	25,575.89	3.97%
Bad Debt Expense	2,000.00	1.18%	2,000.00	0.75%	4,000.00	1.11%	4,000.00	0.62%
Merchant Processing Fees	474.55	0.28%	527.83	0.20%	868.99	0.24%	698.98	0.11%
Depreciation	1,900.00	1.12%	1,900.00	0.71%	3,800.00	1.05%	3,800.00	0.59%
Dues & Subscription Expense	0.00	0.00%	0.00	0.00%	105.00	0.03%	105.00	0.02%
Employment Expenses	0.00	0.00%	23.50	0.01%	0.00	0.00%	23.50	0.00%
Employment Exp Advertising	0.00	0.00%	25.00	0.01%	0.00	0.00%	25.00	0.00%
Equipment Leasing & Rental	0.00	0.00%	64.00	0.02%	480.00	0.13%	544.00	0.08%
Service Agreement Expense	298.29	0.18%	0.00	0.00%	896.68	0.25%	649.36	0.10%
Equipment / Supplies Expense	264.33	0.16%	1,022.31	0.38%	563.16	0.16%	1,517.06	0.24%
Meals	0.00	0.00%	15.33	0.01%	32.68	0.01%	649.33	0.10%
Gas / Tolls / Parking	0.00	0.00%	61.00	0.02%	0.00	0.00%	61.00	0.01%
Flowers Gifts	0.00	0.00%	104.24	0.04%	0.00	0.00%	104.24	0.02%
Business Insurance	1,059.08	0.62%	1,142.17	0.43%	2,118.16	0.59%	2,284.34	0.35%
Computer Consulting	125.00	0.07%	125.00	0.05%	250.00	0.07%	250.00	0.04%
Accounting Fees	750.00	0.44%	750.00	0.28%	1,500.00	0.42%	1,500.00	0.23%
Office Supplies Expense	327.16	0.19%	2,145.36	0.81%	1,359.55	0.38%	3,818.53	0.59%
Penalties	0.00	0.00%	0.00	0.00%	0.97	0.00%	0.00	0.00%
Postage & Mailing Expense	200.00	0.12%	0.00	0.00%	298.63	0.08%	500.00	0.08%
Printing Costs	0.00	0.00%	0.00	0.00%	0.00	0.00%	174.70	0.03%
Rent Expense	14,112.20	8.32%	13,855.10	5.20%	28,224.40	7.82%	27,710.20	4.30%
Internet Expense	567.92	0.33%	29.95	0.01%	796.84	0.22%	209.87	0.03%
Telephone Expense	1,019.85	0.60%	929.10	0.35%	2,039.25	0.57%	1,872.20	0.29%
Cell Phone / Blackberry Expense	0.00	0.00%	53.99	0.02%	0.00	0.00%	150.31	0.02%
Utilities Expense	1,523.18	0.90%	1,878.82	0.70%	2,519.28	0.70%	3,126.14	0.48%
Total Administrative Expenses Detail:	25,307.56	14.91%	39,382.70	14.78%	50,539.59	14.01%	79,349.65	12.31%

IPC International Realty LLC

Balance Sheet

As Of November 30, 2013

Unaudited

	<u>Current Year</u>	<u>Previous Year</u>
<u>ASSETS</u>		
Current Assets:		
Operating Account The Private Bar	41,871.61	0.00
Note Receivable	1,000.00	1,000.00
Accounts Receivable	50,200.00	0.00
Prepaid Insurance	5,164.65	0.00
Total Current Assets	<u>98,236.26</u>	<u>1,000.00</u>
Fixed Assets:		
Land	1,200,000.00	1,200,000.00
Professional Fees	114,601.11	114,601.11
Building Construction Costs	3,832,838.46	3,832,838.46
Capitalized Interest	79,095.52	79,095.52
Building Improvements	100,912.86	100,912.86
Total Fixed Assets	<u>5,327,447.95</u>	<u>5,327,447.95</u>
Less: Accumulated Depreciation:	<u>1,629,209.88</u>	<u>1,520,390.58</u>
Net Fixed Assets	<u>3,698,238.07</u>	<u>3,807,057.37</u>
Other assets:		
Total Other Assets	<u>0.00</u>	<u>0.00</u>
	<u><u>3,796,474.33</u></u>	<u><u>3,808,057.37</u></u>

IPC International Realty LLC

Balance Sheet

As Of November 30, 2013

Unaudited

	<u>Current Year</u>	<u>Previous Year</u>
<u>LIABILITY AND SHAREHOLDER'S EQUITY</u>		
Current Liabilities:		
Accounts Payable	36,212.17	0.00
Note Payable IPC	(680,462.83)	(872,597.09)
Property Tax Liability	95,660.24	93,200.01
Total Current Liabilities	<u>(548,590.42)</u>	<u>(779,397.08)</u>
Long Term Liabilities:		
Note Payable Building	4,266,666.60	4,586,666.64
Total Long Term Liabilities	<u>4,266,666.60</u>	<u>4,586,666.64</u>
Shareholder's Equity:		
Retained Earnings	35,847.88	788.11
Profit (loss) for period	42,550.27	(0.30)
Total shareholder's equity	<u>78,398.15</u>	<u>787.81</u>
	<u><u>3,796,474.33</u></u>	<u><u>3,808,057.37</u></u>

IPC International Realty LLC

Statement of Earnings

For The 2 Periods Ending November 30, 2013

Unaudited

	Current Period	Current YTD
Revenue:		
Rental Income	50,200.00	103,400.00
	50,200.00	103,400.00
Cost of sales:		
	0.00	0.00
Gross profit	50,200.00	103,400.00
Costs and expenses:		
Bank Fees	27.77	57.77
Depreciation Expense	9,069.09	18,138.18
Business Insurance	2,572.75	5,145.50
Interest Expense	9,545.50	19,508.28
Property Tax Expense	9,000.00	18,000.00
	30,215.11	60,849.73
Earnings (loss) from operations	19,984.89	42,550.27
Other income and expenses:		
	0.00	0.00
Earnings (loss) before income taxes	19,984.89	42,550.27
Provision for income taxes:		
	0.00	0.00
Net earnings (loss) for period	19,984.89	42,550.27

IPC International Corporation
Comparative Balance Sheet
11/30/2013

Unaudited

ASSETS

	CURRENT YEAR	PREVIOUS YEAR
CURRENT ASSETS:		
Cash In Banks	15,308,935.09	165,840.78
Accounts Receivable	15,813,565.13	14,306,233.22
Employee Loans	-	558.80
Uniform Supplies	-	250,000.00
Prepaid Insurance Other	822,049.07	1,686,986.68
Prepaid Expenses Other	585,249.68	170,086.61
Prepaid Expenses Mall Startup	-	101,148.53
TOTAL CURRENT ASSETS	<u>32,529,798.97</u>	<u>16,680,854.62</u>
 PROPERTY AND EQUIPMENT		
Leasehold Improvements	213,625.44	213,625.44
Office Furniture	1,036,515.06	1,036,515.06
Furniture and Equipment	644,348.92	947,232.32
Computer Equipment & Software	-	2,077,226.23
Transportation Equipment	-	1,537,512.52
Fitness Equipment	30,757.97	30,757.97
Capitalized Leases	-	4,929,847.16
Total Property & Equipment	<u>1,925,247.39</u>	<u>10,772,716.70</u>
Less: Accumulated Depreciation	<u>1,919,463.63</u>	<u>7,551,721.42</u>
NET PROPERTY & EQUIPMENT	<u>5,783.76</u>	<u>3,220,995.28</u>
 OTHER ASSETS:		
Deposits	182,389.80	245,296.80
Long Term Note Receivable - IPC Realty Company, LLC	(680,462.83)	(872,597.09)
Long Term Note Receivable - Uniformity, Inc.	<u>1,247,626.22</u>	<u>1,195,992.27</u>
TOTAL OTHER ASSETS	<u>749,553.19</u>	<u>568,691.98</u>
 TOTAL ASSETS	<u><u>33,285,135.92</u></u>	<u><u>20,470,541.88</u></u>

IPC International Corporation
Comparative Balance Sheet
11/30/2013

LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
CURRENT LIABILITIES:		
Accounts Payable	6,549,306.10	5,255,581.80
Accrued Insurance/Rent Liabilities	109,705.42	(19,030.67)
Accrued Other Liabilities	339,503.82	175,336.87
Line of Credit	-	7,946,980.81
GL Liability Reserve	2,000,000.00	9,027,748.04
WC Liability Reserve	1,960,736.27	2,828,349.47
Auto Liability Reserve	42,993.70	50,000.00
Health Liability Reserve	300,000.00	459,216.75
UPS Prefunded Liability	7,797,135.16	-
Installment Loans / Notes - Current Portion	6,072,650.96	7,199,820.79
Accrued Payroll Taxes / Benefits / 401K / Uniforms	2,993,462.94	1,698,264.53
Sales Tax W/H - CA Licensing	214,438.39	237,916.92
Exchange Account	11,953.55	19,026.33
Garnish Exchange	54,057.12	5,347.03
Accrued U/C Taxes	288,500.27	298,152.13
Accrued Vacation Wages	750,000.00	750,000.00
Accrued Wages	3,455,317.14	4,823,552.32
TOTAL CURRENT LIABILITIES	<u>32,939,760.84</u>	<u>40,756,263.12</u>
 LONG TERM DEBT		
Installment loans	-	2,879,887.53
Loans from Officers	1,652,578.36	1,652,578.36
Note Payable - LaSalle - IPC International ESOP	6,072,650.96	5,909,161.82
Total	<u>7,725,229.32</u>	<u>10,441,627.71</u>
Less-Current Portion	<u>(6,072,650.96)</u>	<u>(7,199,820.79)</u>
TOTAL LONG TERM DEBT	<u>1,652,578.36</u>	<u>3,241,806.92</u>
 SHAREHOLDERS' EQUITY:		
Common Stock Outstanding	1,250.00	1,250.00
Unearned ESOP Common Shares	(7,656,826.82)	(8,255,669.71)
Unearned Esop Share Committed to be Released	-	551,675.57
Dividends Paid	-	(230,533.27)
ESOP Contribution in Excess of Paid in Capital	-	(528,567.57)
Retained Earnings	(17,512,111.51)	(15,193,239.20)
Year to Date Income	23,860,485.05	127,556.02
TOTAL SHAREHOLDERS' EQUITY	<u>(1,307,203.28)</u>	<u>(23,527,528.16)</u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>33,285,135.92</u></u>	<u><u>20,470,541.88</u></u>

IPC International Corporation
Consolidated Income Statement
Comparative Statement of Income and Expense
For the 1 Month and 2 Months Then Ended 11/30/2013

Unaudited

	CURRENT		PRIOR YEAR		CURRENT		PRIOR YEAR	
	MONTH	%	MONTH	%	YTD	%	YTD	%
REVENUE								
Uniformed Security	7,450,958.37	86.40%	9,739,422.26	86.52%	16,573,520.65	86.48%	19,477,987.88	86.92%
Healthcare Revenue	42,352.80	0.49%	73,693.10	0.65%	97,442.71	0.51%	134,306.04	0.60%
Patrol Vehicle Revenue	248,726.75	2.86%	238,757.99	2.12%	503,856.46	2.63%	477,941.90	2.13%
Special Services	699,971.61	8.12%	981,398.28	8.72%	1,637,437.48	8.54%	1,937,491.71	8.65%
Other Revenue	154,498.69	1.79%	191,999.80	1.71%	275,432.66	1.44%	313,411.14	1.40%
Segway Revenues	175.00	0.00%	1,325.00	0.01%	525.00	0.00%	2,650.00	0.01%
K 9 Revenue	39,345.71	0.46%	54,024.28	0.48%	99,383.89	0.52%	113,585.79	0.51%
Program Revenue	7,216.81	0.08%	12,530.22	0.11%	15,639.27	0.08%	25,971.60	0.12%
Consulting Fees	-	0.00%	63.50	0.00%	240.00	0.00%	63.50	0.00%
Sales Discounts	(17,720.54)	-0.21%	(36,940.75)	-0.33%	(39,337.67)	-0.21%	(75,087.33)	-0.34%
TOTAL REVENUE	8,623,525.20	100.00%	11,256,273.68	100.00%	19,164,140.45	100.00%	22,408,322.23	100.00%
COST OF SERVICES								
Guard Salaries	4,506,475.59	52.26%	5,795,408.75	51.49%	10,087,212.94	52.64%	11,729,863.77	52.35%
Other Salaries	1,021,645.25	11.85%	1,235,703.86	10.98%	2,259,326.01	11.79%	2,517,490.54	11.23%
Vacation Salaries	96,811.59	1.12%	120,520.27	1.07%	254,584.70	1.33%	295,483.84	1.32%
Holiday Salaries	2,697.39	0.03%	233,745.88	2.08%	2,714.10	0.01%	233,798.31	1.04%
Sick Salaries	14,588.70	0.17%	17,843.45	0.16%	41,340.60	0.22%	45,517.04	0.20%
Training Salaries	48,083.81	0.56%	49,923.32	0.44%	98,901.78	0.52%	104,884.57	0.47%
Outside Guard Service	120,247.54	1.39%	136,189.09	1.21%	217,259.57	1.13%	228,190.71	1.02%
Patrol Vehicle Maintenance Exp	25,756.84	0.30%	26,146.19	0.23%	57,132.70	0.30%	59,297.68	0.26%
Patrol Vehicle Fuel Expense	74,437.37	0.86%	103,027.44	0.92%	137,400.01	0.72%	209,054.81	0.93%
Patrol Vehicle Equipment Exp	2,511.07	0.03%	9,637.28	0.09%	9,276.40	0.05%	21,814.28	0.10%
Patrol Vehicle Rental Expense	7,943.99	0.09%	8,602.88	0.08%	20,038.02	0.10%	17,642.68	0.08%
Bicycle Patrol Expense	1,521.69	0.02%	1,425.13	0.01%	2,494.81	0.01%	4,680.58	0.02%
Segway T3 Patrol Expense	400.00	0.00%	218.05	0.00%	3,075.27	0.02%	2,526.80	0.01%
Golf Cart Repair Expense	6,761.41	0.08%	6,638.16	0.06%	11,387.40	0.06%	12,952.55	0.06%
Patrol Vehicle Leasing	6,246.30	0.07%	5,499.72	0.05%	3,876.23	0.02%	12,693.20	0.06%
Patrol Vehicle Leasing Depr Exp	92,003.85	1.07%	101,146.25	0.90%	201,048.31	1.05%	202,196.71	0.90%
Patrol Vehicle Leasing Interest Exp	18,398.39	0.21%	22,585.94	0.20%	40,409.34	0.21%	44,975.03	0.20%
Overtime Salaries Billed	6,128.25	0.07%	66,609.26	0.59%	56,140.03	0.29%	141,846.24	0.63%
Overtime Salaries Non Billed	163,105.10	1.89%	132,640.76	1.18%	301,933.46	1.58%	257,719.39	1.15%
TOTAL COST OF SERVICES	6,215,765.13	72.08%	8,073,511.68	71.72%	13,805,551.68	72.04%	16,142,628.73	72.04%
GROSS PROFIT	2,407,760.07	27.92%	3,182,762.00	28.28%	5,358,588.77	27.96%	6,265,693.50	27.96%
OPERATING EXPENSES - SEE SCHEDULE A	1,412,740.56	16.38%	2,254,205.99	20.03%	3,277,681.37	17.10%	4,564,566.13	20.37%
NET INCOME FROM OPERATIONS	995,019.51	11.54%	928,556.01	8.25%	2,080,907.40	10.86%	1,701,127.37	7.59%
GENERAL AND ADMINISTRATIVE EXPENSES - SEE SCHEDULE B	774,499.12	8.98%	756,391.63	6.72%	2,019,093.68	10.54%	1,614,937.49	7.21%
OTHER INCOME / EXPENSE								
Interest Income	86.63	0.00%	0.58	0.00%	87.21	0.00%	0.64	0.00%
Gain Loss Sale of Assots	23,780,343.43	275.76%	11,380.68	0.10%	23,801,312.98	124.20%	17,004.42	0.08%
Miscellaneous Income	(3,820.84)	-0.04%	1,830.47	0.02%	(2,728.86)	-0.01%	24,361.09	0.11%
TOTAL OTHER INCOME / EXPENSE	23,776,609.22	275.72%	13,211.73	0.12%	23,798,671.33	124.18%	41,366.14	0.18%
NET INCOME BEFORE TAXES	23,997,129.61	278.28%	185,376.11	1.65%	23,860,485.05	124.51%	127,556.02	0.57%
NET INCOME	23,997,129.61	278.28%	185,376.11	1.65%	23,860,485.05	124.51%	127,556.02	0.57%

IPC International Corporation

Consolidated Income Statement

Schedule of Operating Expenses

(Schedule A)

For the 1 Month and 2 Months Then Ended 11/30/2013

Unaudited

	CURRENT		PRIOR YEAR		CURRENT		PRIOR YEAR	
	MONTH	%	MONTH	%	YTD	%	YTD	%
OPERATING EXPENSES								
Advertising/Promotion Expense	-	0.00%	-	0.00%	-	0.00%	362.70	0.00%
Marketing Trade Show Expenses	14,634.69	0.17%	16,032.88	0.14%	32,362.03	0.17%	33,128.60	0.15%
Annual Reports/Franchise Fees	45.00	0.00%	250.00	0.00%	492.50	0.00%	852.54	0.00%
Awards & Bonus Expense	30.00	0.00%	-	0.00%	110.00	0.00%	-	0.00%
Bad Debt Expense	1,630.51	0.02%	21,435.20	0.19%	34,315.32	0.18%	45,147.95	0.20%
Contributions	-	0.00%	700.00	0.01%	-	0.00%	700.00	0.00%
Client Claims	638.16	0.01%	-	0.00%	638.16	0.00%	4,645.69	0.02%
Delivery and Shipping	8,742.71	0.10%	14,348.28	0.13%	25,299.54	0.13%	28,120.71	0.13%
Shipping Supplies	10.34	0.00%	-	0.00%	34.38	0.00%	-	0.00%
Dues & Subscriptions	75.00	0.00%	1,633.24	0.01%	250.00	0.00%	1,874.42	0.01%
Employment Expenses	-	0.00%	-	0.00%	-	0.00%	261.00	0.00%
Employment Exp Advertising	400.26	0.00%	1,496.28	0.01%	1,025.68	0.01%	3,041.28	0.01%
Employment Exp Drug Testing	6,297.75	0.07%	4,893.00	0.04%	6,417.75	0.03%	12,724.00	0.06%
Employment Exp Bckgnd/Cr Chk	15,416.72	0.18%	13,455.41	0.12%	15,992.72	0.08%	28,085.51	0.13%
Equipment Leasing and Rental	292.60	0.00%	2,474.00	0.02%	1,587.99	0.01%	5,343.75	0.02%
Service Agreement Expense	86.65	0.00%	368.94	0.00%	266.65	0.00%	446.03	0.00%
Equipment / Supplies	5,214.12	0.06%	6,964.08	0.06%	23,947.34	0.12%	18,564.87	0.08%
Computer Equipment/Supplies	86.25	0.00%	1,431.98	0.01%	522.99	0.00%	1,461.98	0.01%
Equipment Repair & Maintenance	1,545.48	0.02%	832.79	0.01%	2,526.92	0.01%	1,096.51	0.00%
Client Development	45,007.15	0.52%	67,145.07	0.60%	87,129.22	0.45%	141,024.78	0.63%
Flowers/Gifts	113.76	0.00%	-	0.00%	138.76	0.00%	164.11	0.00%
Insurance G/L Premium	246,725.99	2.86%	146,773.28	1.30%	538,604.53	2.81%	293,682.97	1.31%
Insurance G/L Claims	-	0.00%	176,000.00	1.55%	25,000.00	0.13%	350,000.00	1.56%
Insurance W/C Premium	336,288.62	3.90%	233,167.03	2.07%	376,737.32	1.97%	467,437.59	2.09%
Insurance Auto Premium	38,068.60	0.44%	30,179.33	0.27%	83,043.23	0.43%	58,493.46	0.26%
Insurance Auto Claims	-	0.00%	16,777.32	0.15%	11,711.14	0.06%	21,039.34	0.09%
Insurance EPL Claims	-	0.00%	45,144.05	0.40%	-	0.00%	88,488.73	0.39%
Insurance Health Premium BCBS	(51,453.15)	-0.60%	(57,452.37)	-0.51%	(102,201.99)	-0.53%	(115,790.31)	-0.52%
Insurance Health Premium AW	2,715.85	0.03%	19,271.04	0.17%	17,691.08	0.09%	35,370.08	0.16%
Insurance Health Premium Other	22,767.69	0.26%	21,081.63	0.19%	54,819.32	0.29%	39,149.96	0.17%
Insurance Health Claims	-	0.00%	157,875.00	1.40%	113,100.00	0.59%	303,000.00	1.35%
Commission Expense	26,810.63	0.31%	39,872.61	0.35%	61,058.53	0.32%	93,983.38	0.42%
Legal Fees	617.14	0.01%	583.47	0.01%	(430.70)	0.00%	1,166.94	0.01%
Insurance EPL Premium	11,677.19	0.14%	14,084.67	0.13%	25,761.84	0.13%	28,169.34	0.13%
Licenses/Permits and Fees	1,144.94	0.01%	4,847.37	0.04%	7,134.75	0.04%	7,963.90	0.04%
Patrol Veh Licensing/Fees	160.75	0.00%	517.49	0.00%	620.74	0.00%	684.14	0.00%
Moving Expenses	-	0.00%	497.32	0.00%	2,075.91	0.01%	702.28	0.00%
Office Supplies Expense	26,997.73	0.31%	30,127.75	0.27%	41,839.94	0.22%	58,367.29	0.26%
Life Insurance	1,370.20	0.02%	-	0.00%	1,370.20	0.01%	-	0.00%
Pager Expense	-	0.00%	-	0.00%	-	0.00%	22.80	0.00%
Penalties	85.56	0.00%	48.65	0.00%	85.56	0.00%	97.30	0.00%
Postage & Mailing	562.79	0.01%	496.32	0.00%	1,215.04	0.01%	1,047.59	0.00%
Printing Cost	-	0.00%	576.50	0.01%	213.37	0.00%	817.31	0.00%
Rent Expense	82,171.01	0.95%	101,868.09	0.90%	183,697.64	0.96%	202,136.18	0.90%
Registration Fees	(271.06)	0.00%	13,394.27	0.12%	7,302.58	0.04%	28,252.19	0.13%
Taxes FICA	438,214.91	5.08%	574,128.79	5.10%	981,005.26	5.12%	1,149,908.20	5.13%
Taxes State U/C	62,321.24	0.72%	93,702.07	0.83%	140,521.65	0.73%	191,670.50	0.86%
Taxes Federal U/C	(47,977.03)	-0.56%	13,379.51	0.12%	(36,523.97)	-0.19%	27,249.61	0.12%
Training Expenses	925.93	0.01%	3,698.03	0.03%	1,578.79	0.01%	6,553.41	0.03%
Internet Access Charges	8,976.80	0.10%	9,426.99	0.08%	20,651.00	0.11%	19,238.16	0.09%
Telephone Expense	6,033.25	0.07%	7,883.57	0.07%	16,068.86	0.08%	16,762.61	0.07%
Cell Phone/Blackberry Expense	31,140.14	0.36%	31,933.38	0.26%	60,757.45	0.32%	64,831.22	0.29%
Travel Expenses	879.98	0.01%	153.67	0.00%	879.98	0.00%	874.49	0.00%
Uniform Cleaning & Alterations	277.63	0.00%	953.39	0.01%	872.25	0.00%	1,554.96	0.01%
Uniform Expense	65,240.08	0.76%	100,959.92	0.90%	102,767.55	0.54%	205,788.00	0.92%
Utilities Expense	-	0.00%	(1,003.52)	-0.01%	-	0.00%	(1,003.52)	0.00%
Startup Expenses	-	0.00%	17,055.19	0.15%	7,558.32	0.04%	38,137.41	0.17%
Management Expense	-	0.00%	253,743.03	2.25%	298,036.25	1.56%	551,773.09	2.46%
TOTAL OPERATING EXPENSES	1,412,740.56	16.38%	2,254,205.99	20.03%	3,277,681.37	17.10%	4,564,566.13	20.37%

IPC International Corporation
Consolidated Income Statement
Schedule of General & Administrative Expenses
(Schedule B)
For the 1 Month and 2 Months Then Ended 11/30/2013

Unaudited

	CURRENT		PRIOR YEAR		CURRENT		PRIOR YEAR	
	MONTH	%	MONTH	%	YTD	%	YTD	%
GENERAL AND ADMINISTRATIVE EXPENSES								
Administrative Salaries	546,301.62	6.34%	458,725.24	4.06%	1,010,082.19	5.27%	942,170.70	4.20%
Contract Labor	5,819.52	0.07%	-	0.00%	20,183.56	0.11%	2,636.50	0.01%
Advertising/Promotion Expense	-	0.00%	-	0.00%	-	0.00%	275.00	0.00%
Marketing Trade Show Expenses	-	0.00%	-	0.00%	2,500.00	0.01%	-	0.00%
Auto Expense	2,300.16	0.03%	(8,327.76)	-0.07%	5,312.71	0.03%	(3,001.99)	-0.01%
Auto Leasing Expense	632.59	0.01%	328.89	0.00%	2,071.40	0.01%	419.05	0.00%
Auto Leasing Depr. Exp	7,637.30	0.09%	8,445.60	0.08%	16,802.03	0.09%	16,891.20	0.08%
Auto Leasing Interest Exp	1,527.81	0.02%	1,935.32	0.02%	3,416.45	0.02%	3,955.35	0.02%
Bad Debt Expense	-	0.00%	289.35	0.00%	353.38	0.00%	544.29	0.00%
Bank Charges	111,897.13	1.30%	17,719.46	0.16%	126,141.61	0.66%	37,096.87	0.17%
Merchant Processing Fees	624.75	0.01%	584.45	0.01%	1,009.02	0.01%	1,243.45	0.01%
Contributions	-	0.00%	-	0.00%	-	0.00%	15,000.00	0.07%
Delivery and Shipping	78.28	0.00%	384.41	0.00%	161.56	0.00%	361.07	0.00%
Shipping Supplies	-	0.00%	-	0.00%	-	0.00%	343.96	0.00%
Depreciation	174,601.36	2.02%	23,000.00	0.20%	197,601.36	1.03%	46,000.00	0.21%
Dues & Subscriptions	5,765.70	0.07%	1,071.76	0.01%	7,669.61	0.04%	3,628.67	0.02%
Employment Exp Employee Records	250.95	0.00%	253.00	0.00%	501.90	0.00%	731.00	0.00%
Employment Exp Advertising	100.38	0.00%	-	0.00%	275.38	0.00%	344.95	0.00%
Employment Exp Drug Testing	5,108.00	0.06%	-	0.00%	5,108.00	0.03%	50.00	0.00%
Employment Exp Bckgrnd/Cr Chk	395.21	0.00%	-	0.00%	10,395.21	0.05%	(4.50)	0.00%
Equipment Leasing and Rental	193.00	0.00%	266.00	0.00%	1,454.00	0.01%	486.92	0.00%
Service Agreement Expense	28,864.43	0.33%	28,678.19	0.25%	57,160.97	0.30%	58,839.73	0.26%
Equipment / Supplies	(346.22)	0.00%	2,892.27	0.03%	1,429.27	0.01%	4,929.52	0.02%
Computer Equipment/Supplies	1,511.32	0.02%	6,294.25	0.06%	4,963.67	0.03%	13,134.24	0.06%
Equipment Repair & Maintenance	718.01	0.01%	1,391.45	0.01%	928.26	0.00%	1,452.45	0.01%
Client Development	-	0.00%	6,703.50	0.06%	1,905.22	0.01%	19,377.46	0.09%
Meals	1,687.02	0.02%	1,829.42	0.02%	7,148.44	0.04%	3,671.11	0.02%
Corporate Air Fare	9,776.85	0.11%	3,371.66	0.03%	18,647.62	0.10%	10,278.49	0.05%
Corporate Auto Rental	810.22	0.01%	1,126.20	0.01%	1,960.17	0.01%	2,212.25	0.01%
Gas / Tolls / Parking	4,580.82	0.05%	3,723.58	0.03%	8,318.76	0.04%	9,057.07	0.04%
Corporate Lodging	2,487.80	0.03%	2,722.91	0.02%	5,269.88	0.03%	7,555.39	0.03%
Flowers Gifts	800.00	0.01%	52.31	0.00%	800.00	0.00%	1,366.63	0.01%
Insurance G/L Premium	3,670.75	0.04%	3,347.20	0.03%	7,347.48	0.04%	6,772.46	0.03%
Insurance G/L Claims	(1,381,355.98)	-16.02%	-	0.00%	(1,381,355.98)	-7.21%	-	0.00%
Insurance W/C Premium	1,735.96	0.02%	1,225.83	0.01%	3,170.45	0.02%	2,528.65	0.01%
Insurance Auto Premium	2,409.52	0.03%	3,292.04	0.03%	5,265.70	0.03%	6,412.08	0.03%
Insurance Auto Claims	-	0.00%	1,000.00	0.01%	838.14	0.00%	1,024.80	0.00%
Insurance Business	4,540.00	0.05%	5,370.41	0.05%	9,988.00	0.05%	10,740.82	0.05%
Insurance Health Premium BCBS	(12,059.33)	-0.14%	(11,466.90)	-0.10%	(23,576.43)	-0.12%	(22,933.80)	-0.10%
Insurance Health Premium AW	2,732.54	0.03%	1,710.50	0.02%	5,632.22	0.03%	3,421.00	0.02%
Insurance Health Premium Other	2,735.11	0.03%	1,469.54	0.01%	4,617.98	0.02%	2,926.55	0.01%
Insurance Health Claims	(189,493.74)	-2.20%	27,000.00	0.24%	(166,743.74)	-0.87%	54,000.00	0.24%
Interest Expense	37,052.26	0.43%	45,489.76	0.40%	112,135.30	0.59%	96,778.61	0.43%
Cleaning / Janitorial Service	-	0.00%	1,650.00	0.01%	-	0.00%	2,850.00	0.01%
Corporate Contribution ESOP	-	0.00%	15,000.00	0.13%	-	0.00%	30,000.00	0.13%
Computer Consulting	-	0.00%	1,330.00	0.01%	1,680.00	0.01%	4,130.00	0.02%
Consulting Professional	1,096,137.00	12.71%	84,272.99	0.57%	1,419,765.96	7.41%	228,290.05	1.02%
Accounting Fees	13,625.00	0.16%	10,000.00	0.09%	23,625.00	0.12%	20,000.00	0.09%
Legal Fees	180,234.21	2.09%	13,262.00	0.12%	487,859.17	2.55%	26,144.00	0.12%
Insurance EPL Premium	0.33	0.00%	-	0.00%	0.35	0.00%	-	0.00%
Licenses Permits and Fees	114.60	0.00%	2,451.52	0.02%	1,461.87	0.01%	2,708.04	0.01%
Office Supplies Expense	1,780.40	0.02%	4,574.26	0.04%	12,866.30	0.07%	9,969.66	0.04%
Life Insurance	1,280.78	0.01%	2,650.98	0.02%	3,931.76	0.02%	5,301.96	0.02%
Penalties	2,841.39	0.03%	154,355.47	1.37%	5,670.22	0.03%	264,966.06	1.18%
Postage & Mailing	57.80	0.00%	2,320.75	0.02%	9,134.64	0.05%	2,607.33	0.01%
Printing Cost	3,027.00	0.04%	2,338.96	0.02%	3,974.79	0.02%	6,655.23	0.03%
Rent Expense	2,000.00	0.02%	38,273.12	0.34%	62,523.14	0.33%	77,356.65	0.35%
Registration Fees	2,118.00	0.02%	(2,936.75)	-0.03%	3,382.00	0.02%	(4,627.80)	-0.02%
Taxes Corp State Income	-	0.00%	5,000.00	0.04%	5,000.00	0.03%	10,000.00	0.04%
Taxes FICA	28,579.69	0.33%	25,047.32	0.22%	53,978.43	0.28%	51,464.11	0.23%
Taxes State U/C	66.65	0.00%	877.97	0.01%	144.57	0.00%	1,934.68	0.01%
Taxes Federal U/C	0.20	0.00%	68.58	0.00%	29.35	0.00%	135.88	0.00%
Training Expenses	11,852.67	0.14%	2,924.79	0.03%	14,657.75	0.08%	5,373.58	0.02%
Telephone Answering Service	175.50	0.00%	162.85	0.00%	339.70	0.00%	324.70	0.00%
Internet Access Charges	2,212.57	0.03%	4,206.24	0.04%	7,547.97	0.04%	9,487.70	0.04%
Telephone Expense	7,074.28	0.08%	4,939.50	0.04%	17,729.60	0.09%	10,305.48	0.05%
Cell Phone/Blackberry Expense	4,619.19	0.05%	4,220.01	0.04%	8,818.47	0.05%	10,410.71	0.05%
Travel Expenses	21,983.09	0.25%	1,943.54	0.02%	58,631.46	0.31%	7,854.40	0.04%
Uniform Expense	1,123.51	0.01%	913.48	0.01%	1,528.11	0.01%	6,620.65	0.03%
Utilities Expense	3,501.82	0.04%	6,217.24	0.06%	9,548.29	0.05%	9,561.49	0.04%

Snow Removal Expense	-	0.00%	2,100.00	0.02%	-	0.00%	2,100.00	0.01%
Lawn Care Expense	4,002.32	0.05%	2,070.00	0.02%	6,420.26	0.03%	2,070.00	0.01%
Management Expense	-	0.00%	(253,743.03)	-2.25%	(298,036.25)	-1.56%	(551,773.09)	-2.46%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	774,499.12	8.98%	756,391.63	6.72%	2,019,093.68	10.54%	1,614,937.49	7.21%

Consolidating Balance Sheet
Security Network Holdings U.S. Subsidiaries
For the Period Ending November 30, 2013

	<u>IPC Int'l</u>	<u>IPC Realty</u>	<u>Uniformity</u>	<u>Eliminating Entries</u>	<u>Consol. Total</u>
Current Assets					
Cash	-	41,871.61	125,416.34	(167,287.95)	-
Accounts Receivable	15,813,565.13	50,200.00	123,632.44		15,987,397.57
Employees Loans Receivable	-	-	-		-
Inventory	-	-	650,751.02		650,751.02
Prepaid Expenses	585,249.68	-	14,011.82		599,261.50
Officer's Loans Receivable	-	1,000.00	1,000.00	(2,000.00)	-
Federal Tax Deposit	-	-	-		-
Total Current Assets	16,398,814.81	93,071.61	914,811.62	(169,287.95)	17,237,410.09
Property and Equipment					
Land, Building and Improvements	213,625.44	5,327,447.95	56,956.08		5,598,029.47
Office Furniture and Equipment	1,711,621.95	-	213,127.14		1,924,749.09
Transportation Equipment	-	-	-		-
Total Property and Equipment	1,925,247.39	5,327,447.95	270,083.22	-	7,522,778.56
Less Accumulated Depreciation	(1,919,463.63)	(1,629,209.88)	(253,462.37)		(3,802,135.88)
Net Property and Equipment	5,783.76	3,698,238.07	16,620.85	-	3,720,642.68
Other Assets					
Investment in Subsidiaries	-	-	-		-
Loans Receivable - Related Parties	567,163.39	680,462.83	-	(1,247,626.22)	-
Deposits - Other	182,389.80	-	12,753.04		195,142.84
Goodwill	-	-	-		-
Total Other Assets	749,553.19	680,462.83	12,753.04	(1,247,626.22)	195,142.84
Total Assets	17,154,151.76	4,471,772.51	944,185.51	(1,416,914.17)	21,153,195.61

Consolidating Balance Sheet
Security Network Holdings U.S. Subsidiaries
For the Period Ending November 30, 2013

	<u>IPC Int'l</u>	<u>IPC Realty</u>	<u>Uniformity</u>	<u>Eliminating Entries</u>	<u>Consol. Total</u>
Current Liabilities					
Current Portion of Long Term Debt	6,072,650.96	4,266,666.60	-		10,339,317.56
Line of Credit	-	-	-		-
Bank Overdraft	(15,308,935.09)	-	-	(167,287.95)	(15,476,223.04)
Accounts Payable	6,549,306.10	36,212.17	265,312.11		6,850,830.38
Accrued Wages and Benefits	7,469,212.50	-	-		7,469,212.50
Accrued Insurance Liabilities	3,846,202.89	(5,164.65)	-		3,841,038.24
Other Accrued Expenses	8,180,339.32	95,660.24	8,300.64		8,284,300.20
Deferred Income Tax Payable	-	-	-		-
Dividend Payable	-	-	-		-
Deferred Compensation	-	-	-		-
Loan Payable - Officer	-	-	-		-
Total Current Liabilities	16,808,776.68	4,393,374.36	273,612.75	(167,287.95)	21,308,475.84
Long Term Debt					
Installment Loans - Net of Current Portion	-	-	-		-
Capitalized Lease Obligations - Net of Current Portion	-	-	-		-
Long Term Accrued Insurance Liabilities	-	-	-		-
Note Payable - Related Company	-	-	1,247,626.22	(1,247,626.22)	-
Loans Payable - Shareholders	1,652,578.36	-	-	(2,000.00)	1,650,578.36
Total Long Term Debt	1,652,578.36	-	1,247,626.22	(1,249,626.22)	1,650,578.36
Total Liabilities	18,461,355.04	4,393,374.36	1,521,238.97	(1,416,914.17)	22,959,054.20
Stockholders' Equity					
Controlling Interests					
Common Stock	1,250.00	-	1,000.00	(1,000.00)	1,250.00
Additional Paid-in Capital	-	-	-		-
Unearned ESOP Common Shares	(7,656,826.82)	-	-		(7,656,826.82)
Retained Earnings (Deficit)	(17,512,111.51)	35,847.88	(553,300.74)	1,000.00	(18,028,564.37)
Current Year to Date Income	23,860,485.05	42,550.27	(24,752.72)		23,878,282.60
Foreign Currency Translation Adjustments	-	-	-		-
Total Controlling Interests	(1,307,203.28)	78,398.15	(577,053.46)	-	(1,805,858.59)
Noncontrolling Interest in Subsidiary	-	-	-	-	-
Total Stockholders' Equity	(1,307,203.28)	78,398.15	(577,053.46)	-	(1,805,858.59)
Total Liabilities and Stockholders' Equity	17,154,151.76	4,471,772.51	944,185.51	(1,416,914.17)	21,153,195.61

Consolidating Statements of Income
Security Network Holdings U.S. Subsidiaries
For the Year-to-Date Ending November 30, 2013

	<u>IPC Int'l</u>	<u>IPC Realty</u>	<u>Uniformity</u>	<u>Eliminating Entries</u>	<u>Consol. Total</u>
Revenues					
Uniformed Security	16,631,625.69	-	-		16,631,625.69
Patrol Vehicle	504,381.46	-	-		504,381.46
Special Services	1,637,437.48	-	-		1,637,437.48
Segway & Program Revenue (now in Patrol Veh.)	-	-	-		-
Other Revenues	390,695.82	-	-		390,695.82
Uniform Sales	-	-	360,788.64	(66,979.17)	293,809.47
CCTV Equipment Revenue	-	-	-		-
Rental Income	-	103,400.00	-	(103,400.00)	-
Total Revenues	19,164,140.45	103,400.00	360,788.64	(170,379.17)	19,457,949.92
Cost of Goods and Services					
Guard Salaries	10,842,827.61	-	-		10,842,827.61
Other Salaries	2,259,326.01	-	-		2,259,326.01
Outside Services	217,259.57	-	-		217,259.57
Patrol Vehicle Expenses	245,301.58	-	-		245,301.58
Patrol Vehicle Amortization	201,048.31	-	-		201,048.31
Cost of Goods Sold	-	-	332,752.52	(66,979.17)	265,773.35
Total Cost of Goods and Services	13,765,763.08	-	332,752.52	(66,979.17)	14,031,536.43
Gross Profit	5,398,377.37	103,400.00	28,036.12	(103,400.00)	5,426,413.49
Operating Expenses (see below)	5,175,602.56	41,341.45	52,788.84	(103,400.00)	5,166,332.85
Operating Income/(Loss)	222,774.81	62,058.55	(24,752.72)	-	260,080.64

Consolidating Statements of Income
Security Network Holdings U.S. Subsidiaries
For the Year-to-Date Ending November 30, 2013

	<u>IPC Int'l</u>	<u>IPC Realty</u>	<u>Uniformity</u>	<u>Eliminating Entries</u>	<u>Consol. Total</u>
Other Income(Expense)					
Interest Income	87.21	-	-	-	87.21
Dividend Income	-	-	-	-	-
Gain on Disposal of Assets	23,801,312.98	-	-	-	23,801,312.98
Miscellaneous Income (Net)	(2,728.86)	-	-	-	(2,728.86)
Interest Expense	(155,961.09)	(19,508.28)	-	-	(175,469.37)
Equity in Income (Loss) of Subsidiaries	-	-	-	-	-
Total Other Expenses	23,642,710.24	(19,508.28)	-	-	23,623,201.96
Income (Loss) Before Taxes	23,865,485.05	42,550.27	(24,752.72)	-	23,883,282.60
Provision for Income Taxes	(5,000.00)	-	-	-	(5,000.00)
Income (Loss) Before Noncontrolling Interest	23,860,485.05	42,550.27	(24,752.72)	-	23,878,282.60
Noncontrolling Interest in Net Loss of Subsidiary	-	-	-	-	-
Discontinued Operations					
Loss from Operations of Discontinued Operations	-	-	-	-	-
Net Income/(Loss)	23,860,485.05	42,550.27	(24,752.72)	-	23,878,282.60

Consolidating Statements of Income
Security Network Holdings U.S. Subsidiaries
For the Year-to-Date Ending November 30, 2013

	<u>IPC Int'l</u>	<u>IPC Realty</u>	<u>Uniformity</u>	<u>Eliminating Entries</u>	<u>Consol. Total</u>
Operating Expenses					
Wages and Salaries	1,010,082.19	-	-		1,010,082.19
Advertising and Promotion	34,862.03	-	1,619.34		36,481.37
Auto Expense	5,312.71	-	-		5,312.71
Auto Leasing	2,071.40	-	-		2,071.40
Bad Debts	34,668.70	-	4,000.00		38,668.70
Bank Charges	127,150.63	57.77	868.99		128,077.39
Client Development	106,252.77	-	68.89		106,321.66
Client Claims and Support	638.16	-	-		638.16
Commissions	61,058.53	-	-		61,058.53
Communications	131,913.05	-	3,086.97		135,000.02
Contract Labor	20,183.56	-	-		20,183.56
Contributions	-	-	-		-
Data Processing	-	-	-		-
Delivery, Shipping and Postage	35,813.47	-	852.61		36,666.08
Depreciation and Amortization	214,403.39	18,138.18	3,800.00		236,341.57
Employment Expense	55,953.18	-	-		55,953.18
Entertainment	19,905.42	-	-		19,905.42
ESOP Compensation Expense	-	-	-		-
Equipment Leasing and Rental	3,041.99	-	-		3,041.99
Equipment Service Agreements	57,427.62	-	-		57,427.62
Equipment Repairs	3,455.18	-	1,376.68		4,831.86
Insurance	(293,887.78)	5,145.50	2,118.16		(286,624.12)
Insurance - Group	(91,359.60)	-	-		(91,359.60)
Janitorial and Maintenance	6,420.26	-	-		6,420.26
Licenses, Permits and Fees	8,596.62	-	-		8,596.62
Moving Expenses	2,075.91	-	-		2,075.91
Outside Salaries	-	-	686.00		686.00
Office Supplies and Expense	99,266.59	-	1,465.52		100,732.11
Printing	4,188.16	-	-		4,188.16
Professional Fees	1,932,499.43	-	1,750.00		1,934,249.43
Registration Fees	11,177.08	-	-		11,177.08
Rent	246,220.78	-	28,224.40	(103,400.00)	171,045.18
Staff & Sales Meetings	-	-	-		-
Taxes - Payroll	1,139,155.29	-	-		1,139,155.29

Consolidating Statements of Income
Security Network Holdings U.S. Subsidiaries
For the Year-to-Date Ending November 30, 2013

	<u>IPC Int'l</u>	<u>IPC Realty</u>	<u>Uniformity</u>	<u>Eliminating Entries</u>	<u>Consol. Total</u>
Property Taxes	-	18,000.00	-		18,000.00
Travel	64,781.32	-	352.00		65,133.32
Uniforms	112,726.23	-	-		112,726.23
Utilities	9,548.29	-	2,519.28		12,067.57
Total Operating Expenses	5,175,602.56	41,341.45	52,788.84	(103,400.00)	5,166,332.85