UNITED STATES BANKRUPTCY COURT
DISTRICT OF Delaware

In re IPC Int'l et al

Case No. 13-12050
Reporting Period: 10-1-13 to 10-31-2013

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.

Scott M Strong
Signature of Debtor

Date 2/7/14

Scott M Strong
Signature of Joint Debtor

Date 2/7/14

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

October 31, 2013 and October 31, 2012

Unaudited

ASSETS

	Current Year	Previous Year
Current assets:		
Cash in Bank The Private Bank	21,411.64	12,373.83
Petty Cash	657.06	467.06
Note Receivable	1,000.00	1,000.00
Accounts Receivable	175,544.96	444,140.08
Allowance for Doubtful Accounts	(59,503.69)	(39,720.66)
Acccounts Receivable Accrued	(2,338.05)	(6,804.73)
Inventory	1,225,715.88	1,397,975.49
Obsolete Inventory Reserve	(423,857.62)	(500,000.00)
Prepaid Expenses	12,874.79	13,679.10
Total current assets	951,504.97	1,323,110.17
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
Less accumulated depreciation	251,562.37	243,848.55
Net Fixed assets:	18,520.85	26,234.67
Other assets:		
Deposit Lease	12,603.04	12,603.04
Deposit Utilities	150.00	150.00
	12,753.04	12,753.04
	982,778.86	1,362,097.88

Uniformity, Inc.

Balance Sheet

October 31, 2013 and October 31, 2012

Unaudited

LIABILITY AND SHAREHOLDER'S EQUITY

	Current Year	Previous Year
Current liabilities:		
Accounts Payable Trade	270,641.08	701,234.79
Accounts Payable Clearing	7,171.17	23,525.72
Sales Tax W/H Illinois	3,880.64	13,524.96
Unearned Revenue	4,647.09	4,204.53
Total current liabilities	286,339.98	742,490.00
Long term liabilities:		
Loan Payable IPC	1,245,932.16	1,191,784.87
	1,245,932.16	1,191,784.87
Shareholder's equity:		
Common Stock Outstanding	1,000.00	1,000.00
Retained Earnings	(553,300.74)	(600,060.40)
Profit (loss) for period	2,807.46	26,883.41
Total shareholder's equity	(549,493.28)	(572,176.99)
	982,778.86	1,362,097.88

Uniformity, Inc.

Statement of Earnings

For The 1 Period Ending October 31, 2013 and October 31, 2012

Unaudited

	Current Month	%	Prior Year Month	%	Current Year Year-To-Date	%	Prior Year Year-To-Date	%
Revenue:								
Shirts Revenue	75,028.91	39.27%	119,552.53	31.61%	75,028.91	39.27%	119,552.53	31.61%
Pants Revenue	60,080.59	31.45%	100,391.56	26.54%	60,080.59	31.45%	100,391.56	26.54%
Shoes Revenue	5,432.30	2.84%	3,913.70	1.03%	5,432.30	2.84%	3,913.70	1.03%
Leather Revenue	5,820.35	3.05%	18,215.72	4.82%	5,820.35	3.05%	18,215.72	4.82%
Other Revenue	45,358.76	23.74%	147,600.60	39.03%	45,358.76	23.74%	147,600.60	39.03%
Shipping Revenue	5,154.18	2.70%	11,777.93	3.11%	5,154.18	2.70%	11,777.93	3.11%
Sales Discounts & Allowances	(5,835.44)	-3.05%	(23,253.02)	-6.15%	(5,835.44)	-3.05%	(23,253.02)	-6.15%
Total Revenue:	191,039.65	100.00%	378,199.02	100.00%	191,039.65	100.00%	378,199.02	100.00%
COGS Shirts	54,936.82	28.76%	86,399.26	22.84%	54,936.82	28.76%	86,399.26	22.84%
COGS Pants	49,217.48	25.76%	82,666.68	21.86%	49,217.48	25.76%	82,666.68	21.86%
COGS Shoes	5,119.34	2.68%	2,606.55	0.69%	5,119.34	2.68%	2,606.55	0.69%
COGS Leather	4,688.50	2.45%	14,162.49	3.74%	4,688.50	2.45%	14,162.49	3.74%
COGS Other	39,913.10	20.89%	114,626.29	30.31%	39,913.10	20.89%	114,626.29	30.31%
COGS Shipping	9,463.27	4.95%	10,288.95	2.72%	9,463.27	4.95%	10,288.95	2.72%
Purchase Returns & Allowances	(1,069.51)	-0.56%	(1,793.39)	-0.47%	(1,069.51)	-0.56%	(1,793.39)	-0.47%
Total Cost of Sales:	162,269.00	84.94%	308,956.83	81.69%	162,269.00	84.94%	308,956.83	81.69%
Gross profit	28,770.65	15.06%	69,242.19	18.31%	28,770.65	15.06%	69,242.19	18.31%
Operating Expenses:	(102.71)	-0.05%	1,384.02	0.37%	(102.71)	-0.05%	1,384.02	0.37%
Sales/Marketing Expenses:	902.87	0.47%	1,007.81	0.27%	902.87	0.47%	1,007.81	0.27%
General Administrative Expenses:	25,232.03	13.21%	39,966.95	10.57%	25,232.03	13.21%	39,966.95	10.57%
Total Expenses:	26,032.19	13.63%	42,358.78	11.20%	26,032.19	13.63%	42,358.78	11.20%
Other income and expenses:								
Miscellaneous Income	69.00	0.04%	0.00	0.00%	69.00	0.04%	0.00	0.00%
	69.00	0.04%	0.00	0.00%	69.00	0.04%	0.00	0.00%
Earnings (loss) before income taxes	69.00	0.04%	0.00	0.00%	69.00	0.04%	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	2,807.46	1.47%	26,883.41	7.11%	2,807.46	1.47%	26,883.41	7.11%
Operating Expense Schedule Detail:								
Administrative Salaries	0.00	0.00%	12,845.89	3.40%	0.00	0.00%	12,845.89	3.40%
Advertising/Promotion Expense	299.99	0.16%	54.50	0.01%	299.99	0.16%	54.50	0.01%
Bad Debt Expense	2,000.00	1.05%	2,000.00	0.53%	2,000.00	1.05%	2,000.00	0.53%
Merchant Processing Fees	394.44	0.21%	171.15	0.05%	394.44	0.21%	171.15	0.05%
Shipping Supplies Expense	553.98	0.29%	306.29	0.08%	553.98	0.29%	306.29	0.08%
Depreciation	1,900.00	0.99%	1,900.00	0.50%	1,900.00	0.99%	1,900.00	0.50%
Dues & Subscription Expense	105.00	0.05%	105.00	0.03%	105.00	0.05%	105.00	0.03%
Equipment Leasing & Rental	480.00	0.25%	480.00	0.13%	480.00	0.25%	480.00	0.13%
Service Agreement Expense	598.39	0.31%	649.36	0.17%	598.39	0.31%	649.36	0.17%
Equipment / Supplies Expense	539.20	0.28%	1,526.63	0.40%	539.20	0.28%	1,526.63	0.40%
Meals	32.68	0.02%	634.00	0.17%	32.68	0.02%	634.00	0.17%
Gas / Tolls / Parking	352.00	0.18%	788.65	0.21%	352.00	0.18%	788.65	0.21%
Business Insurance	1,059.08	0.55%	1,142.17	0.30%	1,059.08	0.55%	1,142.17	0.30%
Computer Consulting	125.00	0.07%	125.00	0.03%	125.00	0.07%	125.00	0.03%
Accounting Fees	750.00	0.39%	750.00	0.20%	750.00	0.39%	750.00	0.20%
Office Supplies Expense	1,032.39	0.54%	1,673.17	0.44%	1,032.39	0.54%	1,673.17	0.44%
Penalties	0.97	0.00%	0.00	0.00%	0.97	0.00%	0.00	0.00%
Postage & Mailing Expense	98.63	0.05%	500.00	0.13%	98.63	0.05%	500.00	0.13%
Printing Costs	0.00	0.00%	174.70	0.05%	0.00	0.00%	174.70	0.05%
Rent Expense	14,112.20	7.39%	13,855.10	3.66%	14,112.20	7.39%	13,855.10	3.66%
Internet Expense	228.92	0.12%	179.92	0.05%	228.92	0.12%	179.92	0.05%
Telephone Expense	1,019.40	0.53%	943.10	0.25%	1,019.40	0.53%	943.10	0.25%
Cell Phone / Blackberry Expense	250.88	0.13%	253.08	0.07%	250.88	0.13%	253.08	0.07%
Uniform Expense	(897.06)	-0.47%	53.75	0.01%	(897.06)	-0.47%	53.75	0.01%
Utilities Expense	996.10	0.52%	1,247.32	0.33%	996.10	0.52%	1,247.32	0.33%
Total Cost and Expenses:	26,032.19	13.63%	42,358.78	11.20%	26,032.19	13.63%	42,358.78	11.20%
Shipping Supplies Expense	553.98	0.29%	306.29	0.08%	553.98	0.29%	306.29	0.08%
Equipment / Supplies Expense	240.37	0.13%	1,023.98	0.27%	240.37	0.13%	1,023.98	0.27%
Uniform Expense	(897.06)	-0.47%	53.75	0.01%	(897.06)	-0.47%	53.75	0.01%
Total Operating Expenses Detail:	(102.71)	-0.05%	1,384.02	0.37%	(102.71)	-0.05%	1,384.02	0.37%
Advertising/Promotion Expense	299.99	0.16%	54.50	0.01%	299.99	0.16%	54.50	0.01%
Equipment / Supplies Expense	0.00	0.00%	7.90	0.00%	0.00	0.00%	7.90	0.00%
Gas / Tolls / Parking	352.00	0.18%	788.65	0.21%	352.00	0.18%	788.65	0.21%
Cell Phone / Blackberry Expense	250.88	0.13%	156.76	0.04%	250.88	0.13%	156.76	0.04%
Total Sales/Marketing Expenses Detail:	902.87	0.47%	1,007.81	0.27%	902.87	0.47%	1,007.81	0.27%
Administrative Salaries	0.00	0.00%	12,845.89	3.40%	0.00	0.00%	12,845.89	3.40%
Bad Debt Expense	2,000.00	1.05%	2,000.00	0.53%	2,000.00	1.05%	2,000.00	0.53%
Merchant Processing Fees	394.44	0.21%	171.15	0.05%	394.44	0.21%	171.15	0.05%
Depreciation	1,900.00	0.99%	1,900.00	0.50%	1,900.00	0.99%	1,900.00	0.50%

Dues & Subscription Expense	105.00	0.05%	105.00	0.03%	105.00	0.05%	105.00	0.03%
Equipment Leasing & Rental	480.00	0.25%	480.00	0.13%	480.00	0.25%	480.00	0.13%
Service Agreement Expense	598.39	0.31%	649.36	0.17%	598.39	0.31%	649.36	0.17%
Equipment / Supplies Expense	298.83	0.16%	494.75	0.13%	298.83	0.16%	494.75	0.13%
Meals	32.68	0.02%	634.00	0.17%	32.68	0.02%	634.00	0.17%
Business Insurance	1,059.08	0.55%	1,142.17	0.30%	1,059.08	0.55%	1,142.17	0.30%
Computer Consulting	125.00	0.07%	125.00	0.03%	125.00	0.07%	125.00	0.03%
Accounting Fees	750.00	0.39%	750.00	0.20%	750.00	0.39%	750.00	0.20%
Office Supplies Expense	1,032.39	0.54%	1,673.17	0.44%	1,032.39	0.54%	1,673.17	0.44%
Penalties	0.97	0.00%	0.00	0.00%	0.97	0.00%	0.00	0.00%
Postage & Mailing Expense	98.63	0.05%	500.00	0.13%	98.63	0.05%	500.00	0.13%
Printing Costs	0.00	0.00%	174.70	0.05%	0.00	0.00%	174.70	0.05%
Rent Expense	14,112.20	7.39%	13,855.10	3.66%	14,112.20	7.39%	13,855.10	3.66%
Internet Expense	228.92	0.12%	179.92	0.05%	228.92	0.12%	179.92	0.05%
Telephone Expense	1,019.40	0.53%	943.10	0.25%	1,019.40	0.53%	943.10	0.25%
Cell Phone / Blackberry Expense	0.00	0.00%	96.32	0.03%	0.00	0.00%	96.32	0.03%
Utilities Expense	996.10	0.52%	1,247.32	0.33%	996.10	0.52%	1,247.32	0.33%
Total Administrative Expenses Detail:	25,232.03	13.21%	39,966.95	10.57%	25,232.03	13.21%	39,966.95	10.57%

IPC International Realty LLC

Balance Sheet

As Of October 31, 2013

Unaudited

	Current Year		Previous Year
		ASSETS	
Current Assets:			
Operating Account The Private Ba	41,899.38		0.00
Note Receivable	1,000.00		1,000.00
Prepaid Insurance	7,737.40		0.00
Total Current Assets	50,636.78		1,000.00
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	5,327,447.95		5,327,447.95
Less: Accumulated Depreciation:	1,620,140.79		1,510,767.83
Net Fixed Assets	3,707,307.16		3,816,680.12
Other assets:			
Total Other Assets	0.00		0.00
	3,757,943.94		3,817,680.12

IPC International Realty LLC

Balance Sheet

As Of October 31, 2013

Unaudited

	Current Year	Previous Year
	LIABILITY AND SHAREHOLDER'S EQUITY	
Current Liabilities:		
Note Payable IPC	(680,462.83)	(880,859.89)
Property Tax Liability	86,660.24	84,400.01
Total Current Liabilities	(593,802.59)	(796,459.88)
Long Term Liabilities:		
Note Payable Building	4,293,333.27	4,613,333.31
Total Long Term Liabilities	4,293,333.27	4,613,333.31
Shareholder's Equity:		
Retained Earnings	35,847.88	788.11
Profit (loss) for period	22,565.38	18.58
Total shareholder's equity	58,413.26	806.69
	3,757,943.94	3,817,680.12

IPC International Realty LLC

Statement of Earnings

For The 1 Period Ending October 31, 2013

Unaudited

	Current Period	Current YTD
Revenue:		
Rental Income	53,200.00	53,200.00
	53,200.00	53,200.00
Cost of sales:		
	0.00	0.00
Gross profit	53,200.00	53,200.00
Costs and expenses:		
Bank Fees	30.00	30.00
Depreciation Expense	9,069.09	9,069.09
Business Insurance	2,572.75	2,572.75
Interest Expense	9,962.78	9,962.78
Property Tax Expense	9,000.00	9,000.00
	30,634.62	30,634.62
Earnings (loss) from operations	22,565.38	22,565.38
Other income and expenses:		
	0.00	0.00
Earnings (loss) before income taxes	22,565.38	22,565.38
Provision for income taxes:		
	0.00	0.00
Net earnings (loss) for period	22,565.38	22,565.38

IPC International Corporation

Comparative Balance Sheet

10/31/2013

Unaudited

ASSETS

	CURRENT YEAR	PREVIOUS YEAR
CURRENT ASSETS:		
Cash In Banks	(124,214.93)	(1,045,493.79)
Accounts Receivable	11,654,247.86	13,752,855.84
Employee Loans	-	908.80
Inventory Clearing Account	-	(4,654.65)
Uniform Supplies	250,000.00	250,000.00
Prepaid Insurance Other	1,480,757.38	1,726,945.05
Prepaid Expenses Other	563,670.45	172,857.36
Prepaid Expenses Mall Startup	27,348.78	112,510.63
TOTAL CURRENT ASSETS	13,851,809.54	14,965,929.24
PROPERTY AND EQUIPMENT		
Leasehold Improvements	213,625.44	213,625.44
Office Furniture	1,036,515.06	1,036,515.06
Furniture and Equipment	926,764.61	947,232.32
Computer Equipment & Software	2,077,226.23	2,077,226.23
Transportation Equipment	1,617,886.52	1,537,512.52
Fitness Equipment	30,757.97	30,757.97
Capitalized Leases	5,040,480.62	4,862,020.60
Total Property & Equipment	10,943,256.45	10,704,890.14
Less: Accumulated Depreciation	7,951,349.65	7,487,295.14
NET PROPERTY & EQUIPMENT	2,991,906.80	3,217,595.00
OTHER ASSETS:		
Deposits	218,389.80	245,503.80
Long Term Note Receivable - IPC Realty Company, LLC	(680,462.83)	(880,859.89)
Long Term Note Receivable - Uniformity, Inc.	1,245,932.16	1,191,784.87
TOTAL OTHER ASSETS	783,859.13	556,428.78
TOTAL ASSETS	17,627,575.47	18,739,953.02

IPC International Corporation
Comparative Balance Sheet
10/31/2013

LIABILITIES AND SHAREHOLDERS' EQUITY

	CURRENT YEAR	PREVIOUS YEAR
CURRENT LIABILITIES:		
Accounts Payable	6,694,794.47	4,787,769.05
Accrued Insurance/Rent Liabilities	119,270.36	(18,104.14)
Accrued Other Liabilities	333,227.31	156,902.21
Line of Credit	5,576,461.99	7,525,454.43
GL Liability Reserve	8,381,355.76	9,721,333.62
WC Liability Reserve	1,974,832.60	2,905,726.02
Auto Liability Reserve	50,000.00	50,000.00
Health Liability Reserve	562,867.60	391,481.76
Installment Loans / Notes - Current Portion	7,600,194.28	7,199,820.79
Accrued Payroll Taxes / Benefits / 401K / Uniforms	3,039,845.93	1,178,883.07
Sales Tax W/H - CA Licensing	278,695.64	293,151.66
Exchange Account	9,368.66	15,737.59
Garnish Exchange	35,197.31	10,285.26
Accrued U/C Taxes	392,408.41	200,098.30
Accrued Vacation Wages	750,000.00	750,000.00
Accrued Wages	4,002,339.67	4,097,374.05
TOTAL CURRENT LIABILITIES	39,800,859.99	39,265,913.67
LONG TERM DEBT		
Installment loans	3,019,484.89	2,838,343.92
Loans from Officers	1,652,578.36	1,652,578.36
Note Payable - LaSalle - IPC International ESOP	6,059,179.40	5,895,842.13
Total	10,731,242.65	10,386,764.41
Less-Current Portion	(7,600,194.28)	(7,199,820.79)
TOTAL LONG TERM DEBT	3,131,048.37	3,186,943.62
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	567,253.60	551,675.57
Dividends Paid	-	(230,533.27)
ESOP Contribution in Excess of Paid in Capital	(567,253.60)	(528,567.57)
Retained Earnings	(17,512,111.51)	(15,193,239.20)
Year to Date Income	(136,644.56)	(57,820.09)
TOTAL SHAREHOLDERS' EQUITY	(25,304,332.89)	(23,712,904.27)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17,627,575.47	18,739,953.02

IPC International Corporation

Consolidated Income Statement

Comparative Statement of Income and Expense

For the 1 Month and 1 Months Then Ended 10/31/2013

Unaudited

	CURRENT MONTH	%	PRIOR YEAR MONTH	%	CURRENT YTD	%	PRIOR YEAR YTD	%
REVENUE								
Uniformed Security	9,122,562.28	86.55%	9,738,565.62	87.33%	9,122,562.28	86.55%	9,738,565.62	87.33%
Healthcare Revenue	55,089.91	0.52%	60,612.94	0.54%	55,089.91	0.52%	60,612.94	0.54%
Patrol Vehicle Revenue	257,129.71	2.44%	239,183.91	2.14%	257,129.71	2.44%	239,183.91	2.14%
Special Services	937,465.87	8.89%	956,093.43	8.57%	937,465.87	8.89%	956,093.43	8.57%
Other Revenue	120,933.97	1.15%	121,411.34	1.09%	120,933.97	1.15%	121,411.34	1.09%
Segway Revenues	350.00	0.00%	1,325.00	0.01%	350.00	0.00%	1,325.00	0.01%
K 9 Revenue	60,038.18	0.57%	59,561.51	0.53%	60,038.18	0.57%	59,561.51	0.53%
Program Revenue	8,422.46	0.08%	13,441.38	0.12%	8,422.46	0.08%	13,441.38	0.12%
Consulting Fees	240.00	0.00%	-	0.00%	240.00	0.00%	-	0.00%
Sales Discounts	(21,617.13)	-0.21%	(38,146.58)	-0.34%	(21,617.13)	-0.21%	(38,146.58)	-0.34%
TOTAL REVENUE	10,540,615.25	100.00%	11,152,048.55	100.00%	10,540,615.25	100.00%	11,152,048.55	100.00%
COST OF SERVICES								
Guard Salaries	5,580,737.35	52.95%	5,934,455.02	53.21%	5,580,737.35	52.95%	5,934,455.02	53.21%
Other Salaries	1,237,680.76	11.74%	1,281,786.68	11.49%	1,237,680.76	11.74%	1,281,786.68	11.49%
Vacation Salaries	157,773.11	1.50%	174,963.57	1.57%	157,773.11	1.50%	174,963.57	1.57%
Holiday Salaries	16.71	0.00%	52.43	0.00%	16.71	0.00%	52.43	0.00%
Sick Salaries	26,751.90	0.25%	27,673.59	0.25%	26,751.90	0.25%	27,673.59	0.25%
Training Salaries	50,817.97	0.48%	54,961.25	0.49%	50,817.97	0.48%	54,961.25	0.49%
Outside Guard Service	97,012.03	0.92%	92,001.62	0.82%	97,012.03	0.92%	92,001.62	0.82%
Patrol Vehicle Maintenance Exp	31,375.86	0.30%	33,151.49	0.30%	31,375.86	0.30%	33,151.49	0.30%
Patrol Vehicle Fuel Expense	62,962.64	0.60%	106,027.37	0.95%	62,962.64	0.60%	106,027.37	0.95%
Patrol Vehicle Equipment Exp	6,765.33	0.06%	12,177.00	0.11%	6,765.33	0.06%	12,177.00	0.11%
Patrol Vehicle Rental Expense	12,094.03	0.11%	9,039.80	0.08%	12,094.03	0.11%	9,039.80	0.08%
Bicycle Patrol Expense	973.12	0.01%	3,255.45	0.03%	973.12	0.01%	3,255.45	0.03%
Segway T3 Patrol Expense	2,675.27	0.03%	2,308.75	0.02%	2,675.27	0.03%	2,308.75	0.02%
Golf Cart Repair Expense	4,625.99	0.04%	6,314.39	0.06%	4,625.99	0.04%	6,314.39	0.06%
Patrol Vehicle Leasing	(2,370.07)	-0.02%	7,193.48	0.06%	(2,370.07)	-0.02%	7,193.48	0.06%
Patrol Vehicle Leasing Depr Exp	109,044.46	1.03%	101,050.46	0.91%	109,044.46	1.03%	101,050.46	0.91%
Patrol Vehicle Leasing Interest Exp	22,010.95	0.21%	22,389.09	0.20%	22,010.95	0.21%	22,389.09	0.20%
Overtime Salaries Billed	50,011.78	0.47%	75,236.98	0.67%	50,011.78	0.47%	75,236.98	0.67%
Overtime Salaries Non Billed	138,827.36	1.32%	125,078.63	1.12%	138,827.36	1.32%	125,078.63	1.12%
TOTAL COST OF SERVICES	7,589,786.55	72.01%	8,069,117.05	72.36%	7,589,786.55	72.01%	8,069,117.05	72.36%
GROSS PROFIT	2,950,828.70	27.99%	3,082,931.50	27.64%	2,950,828.70	27.99%	3,082,931.50	27.64%
OPERATING EXPENSES - SEE SCHEDULE A	1,864,940.81	17.69%	2,310,360.14	20.72%	1,864,940.81	17.69%	2,310,360.14	20.72%
NET INCOME FROM OPERATIONS	1,085,887.89	10.30%	772,571.36	6.93%	1,085,887.89	10.30%	772,571.36	6.93%
GENERAL AND ADMINISTRATIVE EXPENSES - SEE SCHEDULE B	1,244,594.56	11.81%	858,545.86	7.70%	1,244,594.56	11.81%	858,545.86	7.70%
OTHER INCOME / EXPENSE								
Interest Income	0.58	0.00%	0.06	0.00%	0.58	0.00%	0.06	0.00%
Gain Loss Sale of Assets	20,969.55	0.20%	5,623.74	0.05%	20,969.55	0.20%	5,623.74	0.05%
Miscellaneous Income	1,091.98	0.01%	22,530.61	0.20%	1,091.98	0.01%	22,530.61	0.20%
TOTAL OTHER INCOME / EXPENSE	22,062.11	0.21%	28,154.41	0.25%	22,062.11	0.21%	28,154.41	0.25%
NET INCOME BEFORE TAXES	(136,644.56)	-1.30%	(57,820.09)	-0.52%	(136,644.56)	-1.30%	(57,820.09)	-0.52%
NET INCOME	(136,644.56)	-1.30%	(57,820.09)	-0.52%	(136,644.56)	-1.30%	(57,820.09)	-0.52%

IPC International Corporation

Consolidated Income Statement

Schedule of Operating Expenses

(Schedule A)

For the 1 Month and 1 Months Then Ended 10/31/2013

Unaudited

	CURRENT MONTH	%	PRIOR YEAR MONTH	%	CURRENT YTD	%	PRIOR YEAR YTD	%
OPERATING EXPENSES								
Advertising/Promotion Expense	-	0.00%	362.70	0.00%	-	0.00%	362.70	0.00%
Marketing Trade Show Expenses	17,727.34	0.17%	17,095.72	0.15%	17,727.34	0.17%	17,095.72	0.15%
Annual Reports/Franchise Fees	447.50	0.00%	602.54	0.01%	447.50	0.00%	602.54	0.01%
Awards & Bonus Expense	80.00	0.00%	-	0.00%	80.00	0.00%	-	0.00%
Bad Debt Expense	32,684.81	0.31%	23,712.75	0.21%	32,684.81	0.31%	23,712.75	0.21%
Client Claims	-	0.00%	4,645.69	0.04%	-	0.00%	4,645.69	0.04%
Delivery and Shipping	16,556.83	0.16%	13,772.43	0.12%	16,556.83	0.16%	13,772.43	0.12%
Shipping Supplies	24.04	0.00%	-	0.00%	24.04	0.00%	-	0.00%
Dues & Subscriptions	175.00	0.00%	241.18	0.00%	175.00	0.00%	241.18	0.00%
Employment Expenses	-	0.00%	261.00	0.00%	-	0.00%	261.00	0.00%
Employment Exp Advertising	625.42	0.01%	1,545.00	0.01%	625.42	0.01%	1,545.00	0.01%
Employment Exp Drug Testing	120.00	0.00%	7,831.00	0.07%	120.00	0.00%	7,831.00	0.07%
Employment Exp Bckgnd/Cr Chk	576.00	0.01%	14,630.10	0.13%	576.00	0.01%	14,630.10	0.13%
Equipment Leasing and Rental	1,295.39	0.01%	2,869.75	0.03%	1,295.39	0.01%	2,869.75	0.03%
Service Agreement Expense	180.00	0.00%	77.09	0.00%	180.00	0.00%	77.09	0.00%
Equipment / Supplies	18,733.22	0.18%	11,600.79	0.10%	18,733.22	0.18%	11,600.79	0.10%
Computer Equipment/Supplies	436.74	0.00%	30.00	0.00%	436.74	0.00%	30.00	0.00%
Equipment Repair & Maintenance	981.44	0.01%	263.72	0.00%	981.44	0.01%	263.72	0.00%
Client Development	42,122.07	0.40%	73,879.71	0.66%	42,122.07	0.40%	73,879.71	0.66%
Flowers Gifts	25.00	0.00%	164.11	0.00%	25.00	0.00%	164.11	0.00%
Insurance G/L Premium	291,878.54	2.77%	146,909.69	1.32%	291,878.54	2.77%	146,909.69	1.32%
Insurance G/L Claims	25,000.00	0.24%	175,000.00	1.57%	25,000.00	0.24%	175,000.00	1.57%
Insurance W/C Premium	40,448.70	0.38%	234,270.56	2.10%	40,448.70	0.38%	234,270.56	2.10%
Insurance Auto Premium	44,974.63	0.43%	28,314.13	0.25%	44,974.63	0.43%	28,314.13	0.25%
Insurance Auto Claims	11,711.14	0.11%	4,262.02	0.04%	11,711.14	0.11%	4,262.02	0.04%
Insurance EPL Claims	-	0.00%	43,344.68	0.39%	-	0.00%	43,344.68	0.39%
Insurance Health Premium BCBS	(50,748.84)	-0.48%	(58,337.94)	-0.52%	(50,748.84)	-0.48%	(58,337.94)	-0.52%
Insurance Health Premium AW	14,975.23	0.14%	16,099.04	0.14%	14,975.23	0.14%	16,099.04	0.14%
Insurance Health Premium Other	32,051.63	0.30%	18,068.33	0.16%	32,051.63	0.30%	18,068.33	0.16%
Insurance Health Claims	113,100.00	1.07%	145,125.00	1.30%	113,100.00	1.07%	145,125.00	1.30%
Commission Expense	34,247.90	0.32%	54,110.77	0.49%	34,247.90	0.32%	54,110.77	0.49%
Legal Fees	(1,047.84)	-0.01%	583.47	0.01%	(1,047.84)	-0.01%	583.47	0.01%
Insurance EPL Premium	14,084.65	0.13%	14,084.67	0.13%	14,084.65	0.13%	14,084.67	0.13%
Licenses Permits and Fees	5,989.81	0.06%	3,115.63	0.03%	5,989.81	0.06%	3,115.63	0.03%
Patrol Veh Licensing/Fees	459.99	0.00%	166.65	0.00%	459.99	0.00%	166.65	0.00%
Moving Expenses	2,075.91	0.02%	204.96	0.00%	2,075.91	0.02%	204.96	0.00%
Office Supplies Expense	14,842.21	0.14%	28,239.54	0.25%	14,842.21	0.14%	28,239.54	0.25%
Pager Expense	-	0.00%	22.80	0.00%	-	0.00%	22.80	0.00%
Penalties	-	0.00%	48.65	0.00%	-	0.00%	48.65	0.00%
Postage & Mailing	652.25	0.01%	551.27	0.00%	652.25	0.01%	551.27	0.00%
Printing Cost	213.37	0.00%	240.81	0.00%	213.37	0.00%	240.81	0.00%
Rent Expense	101,526.63	0.96%	100,268.09	0.90%	101,526.63	0.96%	100,268.09	0.90%
Registration Fees	7,573.64	0.07%	14,857.92	0.13%	7,573.64	0.07%	14,857.92	0.13%
Taxes FICA	542,790.35	5.15%	575,779.41	5.16%	542,790.35	5.15%	575,779.41	5.16%
Taxes State U/C	78,200.41	0.74%	97,968.43	0.88%	78,200.41	0.74%	97,968.43	0.88%
Taxes Federal U/C	11,453.06	0.11%	13,870.10	0.12%	11,453.06	0.11%	13,870.10	0.12%
Training Expenses	652.86	0.01%	2,955.38	0.03%	652.86	0.01%	2,955.38	0.03%
Internet Access Charges	11,674.20	0.11%	9,811.17	0.09%	11,674.20	0.11%	9,811.17	0.09%
Telephone Expense	10,035.61	0.10%	8,879.04	0.08%	10,035.61	0.10%	8,879.04	0.08%
Cell Phone/Blackberry Expense	29,617.31	0.28%	32,897.84	0.29%	29,617.31	0.28%	32,897.84	0.29%
Travel Expenses	-	0.00%	520.82	0.00%	-	0.00%	520.82	0.00%
Uniform Cleaning & Alterations	594.62	0.01%	601.57	0.01%	594.62	0.01%	601.57	0.01%
Uniform Expense	37,527.47	0.36%	104,828.08	0.94%	37,527.47	0.36%	104,828.08	0.94%
Startup Expenses	7,558.32	0.07%	21,082.22	0.19%	7,558.32	0.07%	21,082.22	0.19%
Management Expense	298,036.25	2.83%	298,030.06	2.67%	298,036.25	2.83%	298,030.06	2.67%
TOTAL OPERATING EXPENSES	1,864,940.81	17.69%	2,310,360.14	20.72%	1,864,940.81	17.69%	2,310,360.14	20.72%

IPC International Corporation

Consolidated Income Statement

Schedule of General & Administrative Expenses

(Schedule B)

For the 1 Month and 1 Months Then Ended 10/31/2013

Unaudited

	CURRENT MONTH	%	PRIOR YEAR MONTH	%	CURRENT YTD	%	PRIOR YEAR YTD	%
GENERAL AND ADMINISTRATIVE EXPENSES								
Administrative Salaries	463,780.57	4.40%	485,445.46	4.35%	463,780.57	4.40%	485,445.46	4.35%
Contract Labor	14,364.04	0.14%	2,636.50	0.02%	14,364.04	0.14%	2,636.50	0.02%
Advertising/Promotion Expense	-	0.00%	275.00	0.00%	-	0.00%	275.00	0.00%
Marketing Trade Show Expenses	2,500.00	0.02%	-	0.00%	2,500.00	0.02%	-	0.00%
Auto Expense	3,012.55	0.03%	5,325.77	0.05%	3,012.55	0.03%	5,325.77	0.05%
Auto Leasing Expense	1,438.81	0.01%	90.16	0.00%	1,438.81	0.01%	90.16	0.00%
Auto Leasing Depr. Exp	9,164.73	0.09%	8,445.60	0.08%	9,164.73	0.09%	8,445.60	0.08%
Auto Leasing Interest Exp	1,888.64	0.02%	2,020.03	0.02%	1,888.64	0.02%	2,020.03	0.02%
Bad Debt Expense	353.38	0.00%	254.94	0.00%	353.38	0.00%	254.94	0.00%
Bank Charges	14,244.48	0.14%	19,377.41	0.17%	14,244.48	0.14%	19,377.41	0.17%
Merchant Processing Fees	384.27	0.00%	659.00	0.01%	384.27	0.00%	659.00	0.01%
Contributions	-	0.00%	15,000.00	0.13%	-	0.00%	15,000.00	0.13%
Delivery and Shipping	73.28	0.00%	(23.34)	0.00%	73.28	0.00%	(23.34)	0.00%
Shipping Supplies	-	0.00%	343.96	0.00%	-	0.00%	343.96	0.00%
Depreciation	23,000.00	0.22%	23,000.00	0.21%	23,000.00	0.22%	23,000.00	0.21%
Dues & Subscriptions	1,903.91	0.02%	2,556.91	0.02%	1,903.91	0.02%	2,556.91	0.02%
Employment Exp Employee Records	250.95	0.00%	478.00	0.00%	250.95	0.00%	478.00	0.00%
Employment Exp Advertising	175.00	0.00%	344.95	0.00%	175.00	0.00%	344.95	0.00%
Employment Exp Drug Testing	-	0.00%	50.00	0.00%	-	0.00%	50.00	0.00%
Employment Exp Bckgnd/Cr Chk	10,000.00	0.09%	(4.50)	0.00%	10,000.00	0.09%	(4.50)	0.00%
Equipment Leasing and Rental	1,261.00	0.01%	220.92	0.00%	1,261.00	0.01%	220.92	0.00%
Service Agreement Expense	28,296.54	0.27%	30,161.54	0.27%	28,296.54	0.27%	30,161.54	0.27%
Equipment / Supplies	1,775.49	0.02%	2,037.25	0.02%	1,775.49	0.02%	2,037.25	0.02%
Computer Equipment/Supplies	3,452.35	0.03%	6,839.99	0.06%	3,452.35	0.03%	6,839.99	0.06%
Equipment Repair & Maintenance	210.25	0.00%	61.00	0.00%	210.25	0.00%	61.00	0.00%
Client Development	1,905.22	0.02%	12,673.96	0.11%	1,905.22	0.02%	12,673.96	0.11%
Meals	5,461.42	0.05%	1,841.69	0.02%	5,461.42	0.05%	1,841.69	0.02%
Corporate Air Fare	8,870.77	0.08%	6,906.83	0.06%	8,870.77	0.08%	6,906.83	0.06%
Corporate Auto Rental	1,149.95	0.01%	1,086.05	0.01%	1,149.95	0.01%	1,086.05	0.01%
Gas / Tolls / Parking	3,737.94	0.04%	5,333.49	0.05%	3,737.94	0.04%	5,333.49	0.05%
Corporate Lodging	2,782.08	0.03%	4,832.48	0.04%	2,782.08	0.03%	4,832.48	0.04%
Flowers Gifts	-	0.00%	1,314.32	0.01%	-	0.00%	1,314.32	0.01%
Insurance G/L Premium	3,676.73	0.03%	3,425.26	0.03%	3,676.73	0.03%	3,425.26	0.03%
Insurance W/C Premium	1,434.49	0.01%	1,302.83	0.01%	1,434.49	0.01%	1,302.83	0.01%
Insurance Auto Premium	2,856.18	0.03%	3,120.04	0.03%	2,856.18	0.03%	3,120.04	0.03%
Insurance Auto Claims	838.14	0.01%	24.80	0.00%	838.14	0.01%	24.80	0.00%
Insurance Business	5,448.00	0.05%	5,370.41	0.05%	5,448.00	0.05%	5,370.41	0.05%
Insurance Health Premium BCBS	(11,517.10)	-0.11%	(11,466.90)	-0.10%	(11,517.10)	-0.11%	(11,466.90)	-0.10%
Insurance Health Premium AW	2,899.68	0.03%	1,710.50	0.02%	2,899.68	0.03%	1,710.50	0.02%
Insurance Health Premium Other	1,882.87	0.02%	1,457.02	0.01%	1,882.87	0.02%	1,457.02	0.01%
Insurance Health Claims	22,750.00	0.22%	27,000.00	0.24%	22,750.00	0.22%	27,000.00	0.24%
Interest Expense	75,083.04	0.71%	51,288.85	0.46%	75,083.04	0.71%	51,288.85	0.46%
Cleaning / Janitorial Service	-	0.00%	1,200.00	0.01%	-	0.00%	1,200.00	0.01%
Corporate Contribution ESOP	-	0.00%	15,000.00	0.13%	-	0.00%	15,000.00	0.13%
Computer Consulting	1,680.00	0.02%	2,800.00	0.03%	1,680.00	0.02%	2,800.00	0.03%
Consulting Professional	323,628.96	3.07%	164,017.06	1.47%	323,628.96	3.07%	164,017.06	1.47%
Accounting Fees	10,000.00	0.09%	10,000.00	0.09%	10,000.00	0.09%	10,000.00	0.09%
Legal Fees	307,624.96	2.92%	12,882.00	0.12%	307,624.96	2.92%	12,882.00	0.12%
Insurance EPL Premium	0.02	0.00%	-	0.00%	0.02	0.00%	-	0.00%
Licenses Permits and Fees	1,347.27	0.01%	254.52	0.00%	1,347.27	0.01%	254.52	0.00%
Office Supplies Expense	11,085.90	0.11%	5,395.40	0.05%	11,085.90	0.11%	5,395.40	0.05%
Life Insurance	2,650.98	0.03%	2,650.98	0.02%	2,650.98	0.03%	2,650.98	0.02%
Penalties	2,828.83	0.03%	110,610.59	0.99%	2,828.83	0.03%	110,610.59	0.99%
Postage & Mailing	9,076.84	0.09%	286.58	0.00%	9,076.84	0.09%	286.58	0.00%
Printing Cost	947.79	0.01%	4,316.27	0.04%	947.79	0.01%	4,316.27	0.04%
Rent Expense	60,523.14	0.57%	39,083.53	0.35%	60,523.14	0.57%	39,083.53	0.35%
Registration Fees	1,264.00	0.01%	(1,691.05)	-0.02%	1,264.00	0.01%	(1,691.05)	-0.02%
Taxes Corp State Income	5,000.00	0.05%	5,000.00	0.04%	5,000.00	0.05%	5,000.00	0.04%
Taxes FICA	25,398.74	0.24%	26,416.79	0.24%	25,398.74	0.24%	26,416.79	0.24%
Taxes State U/C	77.92	0.00%	1,056.71	0.01%	77.92	0.00%	1,056.71	0.01%
Taxes Federal U/C	29.15	0.00%	67.30	0.00%	29.15	0.00%	67.30	0.00%
Training Expenses	2,805.08	0.03%	2,448.79	0.02%	2,805.08	0.03%	2,448.79	0.02%
Telephone Answering Service	164.20	0.00%	161.85	0.00%	164.20	0.00%	161.85	0.00%
Internet Access Charges	5,335.40	0.05%	5,281.46	0.05%	5,335.40	0.05%	5,281.46	0.05%

Telephone Expense	10,655.32	0.10%	5,365.98	0.05%	10,655.32	0.10%	5,365.98	0.05%
Cell Phone/Blackberry Expense	4,199.28	0.04%	6,190.70	0.06%	4,199.28	0.04%	6,190.70	0.06%
Travel Expenses	36,648.37	0.35%	5,910.86	0.05%	36,648.37	0.35%	5,910.86	0.05%
Uniform Expense	404.60	0.00%	5,707.17	0.05%	404.60	0.00%	5,707.17	0.05%
Utilities Expense	6,046.47	0.06%	3,344.25	0.03%	6,046.47	0.06%	3,344.25	0.03%
Lawn Care Expense	2,417.94	0.02%	-	0.00%	2,417.94	0.02%	-	0.00%
Management Expense	(298,036.25)	-2.83%	(298,030.06)	-2.67%	(298,036.25)	-2.83%	(298,030.06)	-2.67%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	1,244,594.56	11.81%	858,545.86	7.70%	1,244,594.56	11.81%	858,545.86	7.70%

Consolidating Balance Sheet
Security Network Holdings U.S. Subsidiaries
For the Period Ending October 31, 2013

	IPC Int'l	IPC Realty	Uniformity	Eliminating Entries	Consol. Total
Current Assets					
Cash	-	41,899.38	22,068.70	(63,968.08)	-
Accounts Receivable	11,654,247.86	-	113,703.22		11,767,951.08
Employees Loans Receivable	-	-	-		-
Inventory	-	-	801,858.26		801,858.26
Prepaid Expenses	841,019.23	-	12,874.79		853,894.02
Officer's Loans Receivable	-	1,000.00	1,000.00	(2,000.00)	-
Federal Tax Deposit	-	-	-		-
Total Current Assets	**12,495,267.09**	**42,899.38**	**951,504.97**	**(65,968.08)**	**13,423,703.36**
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	4,071,263.87	-	213,127.14		4,284,391.01
Transportation Equipment	6,658,367.14	-	-		6,658,367.14
Total Property and Equipment	**10,943,256.45**	**5,327,447.95**	**270,083.22**	**-**	**16,540,787.62**
Less Accumulated Depreciation	(7,951,349.65)	(1,620,140.79)	(251,562.37)		(9,823,052.81)
Net Property and Equipment	**2,991,906.80**	**3,707,307.16**	**18,520.85**	**-**	**6,717,734.81**
Other Assets					
Investment in Subsidiaries	-	-	-		-
Loans Receivable - Related Parties	565,469.33	680,462.83	-	(1,245,932.16)	-
Deposits - Other	218,389.80	-	12,753.04		231,142.84
Goodwill	-	-	-		-
Total Other Assets	**783,859.13**	**680,462.83**	**12,753.04**	**(1,245,932.16)**	**231,142.84**
Total Assets	**16,271,033.02**	**4,430,669.37**	**982,778.86**	**(1,311,900.24)**	**20,372,581.01**

Consolidating Balance Sheet
Security Network Holdings U.S. Subsidiaries
For the Period Ending October 31, 2013

	IPC Int'l	IPC Realty	Uniformity	Eliminating Entries	Consol. Total
Current Liabilites					
Current Portion of Long Term Debt	7,600,194.28	4,293,333.27	-		11,893,527.55
Line of Credit	5,576,461.99	-	-		5,576,461.99
Bank Overdraft	124,214.93	-	-	(63,968.08)	60,246.85
Accounts Payable	6,694,794.47	-	282,459.34		6,977,253.81
Accrued Wages and Benefits	8,154,289.32	-	-		8,154,289.32
Accrued Insurance Liabilities	9,846,544.06	(7,737.40)	-		9,838,806.66
Other Accrued Expenses	447,818.49	86,660.24	3,880.64		538,359.37
Deferred Income Tax Payable	-	-	-		-
Dividend Payable	-	-	-		-
Deferred Compensation	-	-	-		-
Loan Payable - Officer	-	-	-		-
Total Current Liabilities	**38,444,317.54**	**4,372,256.11**	**286,339.98**	**(63,968.08)**	**43,038,945.55**
Long Term Debt					
Installment Loans - Net of Current Portion	(1,541,014.88)	-	-		(1,541,014.88)
Capitalized Lease Obligations - Net of Current Portion	3,019,484.89	-	-		3,019,484.89
Long Term Accrued Insurance Liabilities	-	-	-		-
Note Payable - Related Company	-	-	1,245,932.16	(1,245,932.16)	-
Loans Payable - Shareholders	1,652,578.36	-	-	(2,000.00)	1,650,578.36
Total Long Term Debt	**3,131,048.37**	**-**	**1,245,932.16**	**(1,247,932.16)**	**3,129,048.37**
Total Liabilities	**41,575,365.91**	**4,372,256.11**	**1,532,272.14**	**(1,311,900.24)**	**46,167,993.92**
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	(7,089,573.22)	-	-		(7,089,573.22)
Retained Earnings (Decifit)	(18,079,365.11)	35,847.88	(553,300.74)	1,000.00	(18,595,817.97)
Current Year to Date Income	(136,644.56)	22,565.38	2,807.46		(111,271.72)
Foreign Currency Translation Adjustments					-
Total Controlling Interests	**(25,304,332.89)**	**58,413.26**	**(549,493.28)**	**-**	**(25,795,412.91)**
Noncontrolling Interest in Subsidiary	-	-	-	-	-
Total Stockholders' Equity	**(25,304,332.89)**	**58,413.26**	**(549,493.28)**	**-**	**(25,795,412.91)**
Total Liabilities and Stockholders' Equity	**16,271,033.02**	**4,430,669.37**	**982,778.86**	**(1,311,900.24)**	**20,372,581.01**

Consolidating Statements of Income
Security Network Holdings U.S. Subsidiaries
For the Year-to-Date Ending October 31, 2013

	IPC Int'l	IPC Realty	Uniformity	Eliminating Entries	Consol. Total
Revenues					
Uniformed Security	9,156,035.06	-	-		9,156,035.06
Patrol Vehicle	257,479.71	-	-		257,479.71
Special Services	937,465.87	-	-		937,465.87
Segway & Program Revenue (now in Patrol Veh.)	-	-	-		-
Other Revenues	189,634.61	-	-		189,634.61
Uniform Sales	-	-	191,108.65	(756,514.29)	(565,405.64)
CCTV Equipment Revenue	-	-	-		-
Rental Income	-	53,200.00	-	(53,200.00)	-
Total Revenues	**10,540,615.25**	**53,200.00**	**191,108.65**	**(809,714.29)**	**9,975,209.61**
Cost of Goods and Services					
Guard Salaries	6,004,936.18	-	-		6,004,936.18
Other Salaries	1,237,680.76	-	-		1,237,680.76
Outside Services	97,012.03	-	-		97,012.03
Patrol Vehicle Expenses	119,562.16	-	-		119,562.16
Patrol Vehicle Amoritization	109,044.46	-	-		109,044.46
Cost of Goods Sold	-	-	162,808.20	(756,514.29)	(593,706.09)
Total Cost of Goods and Services	**7,568,235.59**	**-**	**162,808.20**	**(756,514.29)**	**6,974,529.50**
Gross Profit	**2,972,379.66**	**53,200.00**	**28,300.45**	**(53,200.00)**	**3,000,680.11**
Operating Expenses (see below)	3,027,103.70	20,671.84	25,492.99	(53,200.00)	3,020,068.53
Operating Income/(Loss)	**(54,724.04)**	**32,528.16**	**2,807.46**	**-**	**(19,388.42)**
Interest Income	0.58	-	-		0.58
Dividend Income	-	-	-		-
Gain on Disposal of Assets	20,969.55	-	-		20,969.55
Miscellaneous Income (Net)	1,091.98	-	-		1,091.98
Interest Expense	(98,982.63)	(9,962.78)	-		(108,945.41)
Equity in Income (Loss) of Subsidiaries	-	-	-		-

Consolidating Statements of Income
Security Network Holdings U.S. Subsidiaries
For the Year-to-Date Ending October 31, 2013

	IPC Int'l	IPC Realty	Uniformity	Eliminating Entries	Consol. Total
Total Other Expenses	**(76,920.52)**	**(9,962.78)**	**-**	**-**	**(86,883.30)**
Income (Loss) Before Taxes	**(131,644.56)**	**22,565.38**	**2,807.46**	**-**	**(106,271.72)**
Provision for Income Taxes	(5,000.00)		-		(5,000.00)
Income (Loss) Before Noncontrolling Interest	**(136,644.56)**	**22,565.38**	**2,807.46**	**-**	**(111,271.72)**
Noncontrolling Interest in Net Loss of Susidiary					
Discontinued Operations					
Loss from Operations of Discontinued Operations	-				-
Net Income/(Loss)	**(136,644.56)**	**22,565.38**	**2,807.46**	**-**	**(111,271.72)**

Consolidating Statements of Income
Security Network Holdings U.S. Subsidiaries
For the Year-to-Date Ending October 31, 2013

	IPC Int'l	IPC Realty	Uniformity	Eliminating Entries	Consol. Total
Operating Expenses					
Wages and Salaries	463,780.57	-	-		463,780.57
Advertising and Promotion	20,227.34	-	299.99		20,527.33
Auto Expense	3,012.55	-	-		3,012.55
Auto Leasing	1,438.81	-	-		1,438.81
Bad Debts	33,038.19	-	2,000.00		35,038.19
Bank Charges	14,628.75	30.00	394.44		15,053.19
Client Development	52,160.65	-	32.68		52,193.33
Client Claims and Support	-	-	-		-
Commissions	34,247.90	-	-		34,247.90
Communications	71,681.32	-	1,499.20		73,180.52
Contract Labor	14,364.04	-	-		14,364.04
Contributions	-	-	-		-
Data Processing	-	-	-		-
Delivery, Shipping and Postage	26,370.64	-	652.61		27,023.25
Depreciation and Amoritization	32,164.73	9,069.09	1,900.00		43,133.82
Employment Expense	15,205.31	-	-		15,205.31
Entertainment	11,191.72	-	-		11,191.72
ESOP Compensation Expense	-	-	-		-
Equipment Leasing and Rental	2,556.39	-	-		2,556.39
Equipment Service Agreements	28,476.54	-	-		28,476.54
Equipment Repairs	1,191.69	-	1,078.39		2,270.08
Insurance	442,351.22	2,572.75	1,059.08		445,983.05
Insurance - Group	128,044.45	-	-		128,044.45
Janitorial and Maintenance	2,417.94	-	-		2,417.94
Licenses, Permits and Fees	7,337.08	-	-		7,337.08
Moving Expenses	2,075.91	-	-		2,075.91
Outside Salaries	-	-	-		-
Office Supplies and Expense	55,246.25	-	1,138.36		56,384.61
Printing	1,161.16	-	-		1,161.16
Professional Fees	641,886.08	-	875.00		642,761.08
Registration Fees	9,285.14	-	-		9,285.14
Rent	162,049.77	-	14,112.20	(53,200.00)	122,961.97
Staff & Sales Meetings	-	-	-		-
Taxes - Payroll	657,949.63	-	-		657,949.63

Consolidating Statements of Income
Security Network Holdings U.S. Subsidiaries
For the Year-to-Date Ending October 31, 2013

	IPC Int'l	IPC Realty	Uniformity	Eliminating Entries	Consol. Total
Property Taxes	-	9,000.00	-		9,000.00
Travel	39,430.45	-	352.00		39,782.45
Uniforms	46,085.01	-	(897.06)		45,187.95
Utilities	6,046.47	-	996.10		7,042.57
Total Operating Expenses	**3,027,103.70**	**20,671.84**	**25,492.99**	**(53,200.00)**	**3,020,068.53**