

015662-20
FC 17053

True Food International, Inc
Comparative Balance Sheets
December 31,
(In whole dollars)

ASSETS	2010	2009
CURRENT ASSETS		
Cash	\$ 4,217,649	\$ 4,197,524
Accounts receivable - trade	2,407,690	4,665,205
Accounts receivable - affiliates	74,722,290	67,629,884
Advances to employees	2,055	2,355
Prepaid expenses	65,094	62,504
Total current assets	81,414,778	76,557,472
PROPERTY & EQUIPMENT - NET	277,895	189,129
	<u>\$ 81,692,673</u>	<u>\$ 76,746,601</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 61,983	\$ 110,985
Accounts payable - affiliates	88,290,193	81,428,193
Employees' savings plans payable	1,371	4,705
Accrued liabilities	392,813	284,829
Total current liabilities	88,746,360	81,828,712
STOCKHOLDER'S EQUITY		
Retained deficit	(7,053,687)	(5,082,111)
	<u>\$ 81,692,673</u>	<u>\$ 76,746,601</u>

Signature *Alan Truluck*
Date 9 December 2011



True Food International, Inc
Comparative Statement of Earnings
Years ended December 31
(IN WHOLE DOLLARS)

	2010	%	2009	%
Net Sales	\$ 15,298,656	100 00	\$ 13,770,907	100 00
Cost of Sales				
Purchases	11,211,333	73 28	10,045,864	72 95
Packaging & handling	962,614	6 29	862,423	6 26
	<u>12,173,947</u>	<u>79 58</u>	<u>10,908,287</u>	<u>79 21</u>
Gross Profit	3,124,709	20 42	2,862,620	20 79
Selling expenses				
Advertising	41,698	0 27	95,776	0 70
Automobiles	13,419	0 09	17,612	0 13
Freight & shipping	975,950	6 38	839,384	6 10
Group insurance	2,578	0 02	2,184	0 02
Literature	291	-	4,938	0 04
Meals & entertainment	54,856	0 36	48,288	0 35
Payroll taxes	38,206	0 25	37,947	0 28
Salaries	282,088	1 84	358,764	2 61
Sales commission	764,484	5 00	1,002,836	7 28
Sales promotion	42,591	0 28	37,849	0 27
Sales services	405,629	2 65	-	-
Telephone	31,001	0 20	28,922	0 21
Travel & convention	845,027	5 52	539,911	3 92
Warehouse	237,487	1 55	253,690	1 84
	<u>3,735,305</u>	<u>24 42</u>	<u>3,268,101</u>	<u>23 73</u>
Administrative expenses				
Bad debts	20,632	0 13	7,991	0 06
Contributions	667	-	-	-
Depreciation	19,737	0 13	11,035	0 08
Dues & subscriptions	4,727	0 03	15,444	0 11
Employees' welfare & education	32	-	221	-
Insurance	18,151	0 12	18,811	0 14
Legal & audit	24,989	0 16	20,996	0 15
Miscellaneous	47	-	49	-
Office services	454,550	2 97	449,415	3 26
Office expense	38,401	0 25	39,634	0 29
Taxes & licenses	173	-	419	-
	<u>582,106</u>	<u>3 80</u>	<u>564,015</u>	<u>4 10</u>
Selling & administrative expenses	<u>4,317,411</u>	<u>28 22</u>	<u>3,832,116</u>	<u>27 83</u>
Operating profit/(loss)	(1,192,702)	(7 80)	(969,496)	(7 04)
Other income(expense)				
Bad debt recoveries	-	-	3,364	0 02
Gain(loss) on foreign currency	(760,990)	(4 97)	(7,362)	(0 05)
Interest expense	(93)	-	(522)	-
Interest income	4	-	-	-
Miscellaneous income(expense)	(17,795)	(0 12)	(13,806)	(0 10)
	<u>(778,874)</u>	<u>(5 09)</u>	<u>(18,326)</u>	<u>(0 13)</u>
NET EARNINGS/(LOSS)	<u>\$ (1,971,576)</u>	<u>(12 89)</u>	<u>\$ (987,822)</u>	<u>(7 17)</u>

Signature

V. T. Indurke

Date 9 December 2011