

1217053

True Food International, Inc.  
Statement of Earnings  
Year ended December 31,  
(In whole Dollars)



	2004	%
Net Sales	\$ 11,905,370	100.00
Cost of Sales		
Purchases	8,154,753	68.50
Packaging & handling	698,473	5.87
	<u>8,853,226</u>	<u>74.36</u>
Gross Profit	3,052,144	25.64
Selling expenses		
Advertising	33,172	0.28
Automobiles	17,660	0.15
Freight & shipping	849,115	7.13
Group insurance	9,728	0.08
Literature	60,963	0.51
Meals & entertainment	68,517	0.58
Payroll taxes	45,789	0.38
Salaries	407,710	3.42
Sales commission	471,028	3.96
Sales promotion	32,966	0.28
Telephone	77,423	0.65
Travel & convention	685,751	5.76
Warehouse	200,517	1.68
	<u>2,960,338</u>	<u>24.87</u>
Administrative expenses		
Bad debts	20,889	0.18
Depreciation	19,968	0.17
Dues & subscriptions	13,341	0.11
Employees' welfare & education	680	0.01
Insurance	12,093	0.10
Legal & audit	16,951	0.14
Miscellaneous	27	-
Office services	397,952	3.34
Office expense	79,052	0.66
Taxes & licenses	882	0.01
	<u>561,835</u>	<u>4.72</u>
Selling & administrative expenses	<u>3,522,173</u>	<u>29.58</u>
Operating loss	(470,029)	(3.95)
Other income(expense)		
Bad debt recoveries	14,637	0.12
Gain/(loss) on sale of property	(7,747)	(0.07)
Gain(loss) on foreign currency	246,095	2.07
Interest income	6,409	0.05
Interest expense	(3,450)	(0.03)
Miscellaneous income(expense)	(6,783)	(0.06)
	<u>249,161</u>	<u>2.09</u>
NET LOSS	\$ <u>(220,868)</u>	<u>(1.86)</u>

Signature Steven J. Tulevich

Date Nov. 22, 2005

True Food International, Inc.  
Balance Sheet  
December 31,

ASSETS	
	2004
CURRENT ASSETS	
Cash	\$ 1,192,526
Accounts receivable - trade	2,749,090
Accounts receivable - affiliates	31,091,167
Advances to employees	2,955
Prepaid expenses	85,892
Total current assets	35,121,630
PROPERTY & EQUIPMENT - NET	138,991
	\$ 35,260,621
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable - trade	\$ 61,174
Accounts payable - affiliates	40,799,590
Employees' savings plans	40,850
Accrued liabilities	28,474
Total current liabilities	40,930,088
STOCKHOLDER'S EQUITY	
Retained deficit	(5,669,467)
	\$ 35,260,621

Signature

*Steven J. Tabor*

Date

*November 28, 2005*

True Food International, Inc.  
Statement of Earnings  
Year ended December 31,  
(In whole Dollars)

	2003	%
Net Sales	\$ 10,067,627	100.00
Cost of Sales		
Purchases	7,148,474	71.00
Packaging & handling	603,200	5.00
	<u>7,751,674</u>	<u>77.00</u>
Gross Profit	2,315,955	23.00
Selling expenses		
Advertising	59,585	0.59
Automobiles	12,723	0.13
Freight & shipping	598,924	5.95
Group insurance	9,340	0.09
Literature	66,825	0.66
Meals & entertainment	60,664	0.60
Payroll taxes	41,618	0.41
Salaries	359,278	3.57
Sales commission	399,580	3.97
Sales promotion	9,137	0.09
Telephone	71,883	0.71
Travel & convention	435,200	4.32
Warehouse	143,182	1.42
	<u>2,267,939</u>	<u>22.53</u>
Administrative expenses		
Bad debts	18,671	0.19
Depreciation	12,795	0.13
Dues & subscriptions	11,548	0.11
Employees' welfare & education	115	-
Insurance	10,863	0.11
Legal & audit	12,625	0.13
Miscellaneous	26	-
Office services	369,375	3.67
Office expense	63,302	0.63
	<u>499,320</u>	<u>4.96</u>
Selling & administrative expenses	<u>2,767,259</u>	<u>27.49</u>
Operating loss	(451,304)	(4.48)
Other income(expense)		
Bad debt recoveries	25,737	0.26
Gain/(loss) on sale of property	(4,986)	(0.05)
Gain(loss) on foreign currency	260,679	2.59
Interest income	19,266	0.19
Interest expense	(2,594)	(0.03)
Miscellaneous income(expense)	30,171	0.30
	<u>328,273</u>	<u>3.26</u>
NET LOSS	\$ (123,031)	(1.22)

Signature

*Harold Z. Tinkler*

Date

*16-12-04*

True Food International, Inc.  
Balance Sheet  
December 31,

ASSETS

	2003
CURRENT ASSETS	
Cash	\$ 851,751
Accounts receivable - trade	3,403,830
Accounts receivable - affiliates	19,505,472
Advances to employees	2,655
Miscellaneous receivables	-
Interest receivable	7
Prepaid expenses	42,324
Total current assets	23,806,039
PROPERTY & EQUIPMENT - NET	82,403
	<u>\$ 23,888,442</u>

CURRENT LIABILITIES

Accounts payable - trade	\$ 66,001
Accounts payable - affiliates	29,201,627
Employees' savings plans	42,342
Accrued liabilities	27,072
Total current liabilities	<u>29,337,042</u>

STOCKHOLDER'S EQUITY

Retained deficit	<u>(5,448,600)</u>
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\$ 23,888,442

Signature

Steven J. Trubke

Date

16-12-04