PPJ Enterprise

FINANCIAL STATEMENTS

PPJ ENTERPRISE

FINANCIAL STATEMENTS

AS OF

DECEMBER 31, 2013

(UNAUDITED)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Financial Statements

PPJ ENTERPRISE
STATEMENTS OF OPERATIONS
PERIODES DECEMBER 31,2012 AND DECEMBER 31, 2013
(UNAUDITED)

	YEAR ENDED DECEMBER 31, 2013	**YEAR ENDED DECEMBER 31, 2012**
Gross sales contract and service revenue	$ 654,35	$ 833,141
Operating Expenses:		
Commission	25,000	21,572
Contract and service cost	329,647	542,130
Legal expenses	146,923	101,000
Total Operating Expenses		
Gross Profit	58,622	168,439
Provision for income taxes	800	800
Net gain (loss)	$57,822	$167,639
Earnings per share		
Common shares outstanding		

Weighted average number of shares used to compute basic and diluted loss per share is the same since the effect of dilutive securities are anti-dilutive.

The accompanying notes are an integral part of these financial statements.

PPJ ENTERPRISE
BALANCE SHEET
DECEMBER 31, 2013
(UNAUDITED)

ASSETS	**YEAR ENDED DECEMBER 31, 2013**
Current Assets	
Cash	32,837
Contracts receivable	2,472,132
Inventory	106,181
Equipment	10,421
Lease deposit	3,300
Other current assets	6,320,391
Total Assets	$8,945,802
LIABILITIES AND SHAREHOLDERS EQUITY	
Current Liabilities	
Accounts payable and accrued expenses	146,236
Accrued officers due	415,000
Lease liabilities (3 years)	89,670
Notes payable (convertible with interest est)	442,462
Convertible secured notes	191,000
Total Current Liabilities	$1,284,368

Stockholders Equity	
Class A Preferred Stock, par value $10.00, authorized 50,000 shares	
Class B Preferred Stock, par value $2.50, authorized shares, 1,021,000 issued and outstanding	2,552,500
Common Stock, $0.001 par value, 950,000,000 authorized, 894,094,091 issued and outstanding	1,341,141
Common shares to be issued	194,220
Additional Paid in Capital	2,419,966
Convertible notes	1,118,557
Retained earnings	35,050
Total Stockholders' Equity	5,206,418
Total Liabilities and Shareholders' Equity	$ 8,945,802

The accompanying notes are an integral part of these financial statements.

PPJ ENTERPRISE
CONSOLIDATED STATEMENTS OF CASH FLOWS
PERIOD ENDED DECEMBER 31, 2013
(UNAUDITED)

	YEAR ENDED DECEMBER 31, 2013
Operating Activities	
Net income (loss)	57,822
Cash flow from operating activities	654,351
Changes in operating assets and liabilities	
Depreciation and amortization	5,827
Accounts payable	
Net cash provided by (used in) operating activities	
Investing activities	
Increases in current assets	1,587,241
Contract receivables	2,477,132
Increase in current liabilities	-2565334
Litigation accruals	126,923
Accrued officers payable	415,000
Financing activities	
Increase (decrease) in long term debt	
Stock to be issued	194,000
Net cash provided by financing activities	

Net increase (decrease) in cash	
Cash at beginning of period	2,213
Cash at end of period	33,837

The accompanying notes are an integral part of these financial statements.

PPJ ENTERPRISE
STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY
AS OF DECEMBER 31, 2013
(UNAUDITED)

	Common Shares	Class B Shares	Paid in Capital	Shares to be Issued	Retained Earnings (Deficit)
Balance December 31, 2013	894,094,091	1,468,423	4,789,614	194,000	4,983,614

The accompanying notes are an integral part of these financial statements.

PPJ ENTERPRISE
NOTES TO FINANCIAL STATEMENTS

Summary Of Significant Accounting Policies And Organization

Note A: Organization and Nature of Business

Healthcare Business Services Groups, Inc.. (herein referred to as "Healthcare" or "Company" was Formed in Delaware in December 1994. On April 23, 2004, the Company acquired 100% of the issued and outstanding shares of Automed software corp., A Nevada corporation ("Automed"), and 100% of three corporations. The Company acquired Healthcare, Automed, and Silver Shadow from the sole owner, in Exchange for 25,150,000 newly issued treasury shares of the Company's common stock, and the Company changed its name to Healthcare. All references to the Company refers to Healthcare, Automed and Silver Shadow as a collective whole since their various Inceptions.

The merger of the Company with Healthcare business services groups inc has been accounted for as a reverse acquisition under the purchase method of accounting since the shareholders Of Healthcare Business Services Groups Inc, obtained control of the consolidated entity.

Accordingly, the merger of the two companies has been recorded as a recapitalization of the Healthcare Business Services Group, Inc., being treated as the continuing entity. The continuing Company has retained December 31 and its fiscal year end.

Healthcare is a medical billing service provider that for over fifteen years has assisted Various health care providers to successfully enhance their billing function. Healthcare has a diversified market servicing AZ, NY, WA, DE, TX, and California.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company.

Note B: Use of Entities

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and revenues and expenses, as well as certain financial statements and disclosures. While management believes that the estimates and assumptions used in the preparation of the financial statements are appropriate, actual results differ from those estimates.

Note C: Cash and Cash Equivalents

For purposes of the cash flow statements, the Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents.

Note D: Revenue Recognition

The Company's revenue recognition policies are in compliance with Staff Accounting Bulletin SAB 104. All revenue is recognized when persuasive evidence of an arrangement exists, the service or sale is complete, the price is fixed or determinable and collectibility is reasonable assured. Revenue is derived from collections of medical billing services. Revenue is recognized when the collection process is complete which occurs when the money is collected and recognized on a net basis.

License revenue - the Company recognizes revenue from license contracts when a non-cancelable, non-contingent license agreement has been signed, the software product has been delivered, no uncertainties exist surrounding product acceptance, fees from the agreement Are fixed and determinable and collection is probably. Any revenues from software arrangements with multiple elements are allocated to each element of the arrangement based on the relative fair values using specific objective evidence as defined in the SOPs. If no such objective evidence exists, revenues from the arrangements are not recognized until the entire arrangement is completed and accepted by the customer. For arrangements that require significant production, modification or customization of software, the entire arrangement is accounted for by the percentage of completion method, in conformity with Accounting Research Bulletin ("ARB") No. 45 and SOP 81-1.

Services Revenue - Revenue from consulting services is recognized as the services are performed for time-and-materials contracts and contract accounting is utilized for fixed price contracts. Revenue from training and development services is recognized as the services are performed. Revenue from maintenance agreement is recognized ratably over the term of the maintenance agreement, which in most instances is once year.

Note E: Property and Equipment

Property and equipment is stated at cost. Additions are capitalized and maintenance and repairs are charged to expense as incurred. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is provided using the straight-line method over the estimated useful life of the assets from three to seven years. Expenditures for maintenance and repairs are charged to expense as incurred.

Note F: Software Development Costs

The Company complied with Statement of Position 98-1 ("SOP 98-1") “accounting for the costs of computer software developed or obtained for internal use", as accounting policy for internally developed computer software costs. Under SOP 98-1, we capitalized software development costs incurred during the application development stage.

Subsequently, the Company decided to market the software Automed. Therefore the Company is Following the guideline under SFAS 86. SFAS 86 specifies that costs incurred internally in creating a computer software product shall be charged to expense when incurred as research and development until technological feasibility has been established for the product. Thereafter, all software production costs shall be capitalized and subsequently reported at the lower of unamortized cost or net realizable value.

Capitalized costs are being amortized based on current and future revenue for the product (Automed) with an annual minimum equal to straight-line amortization over the remaining estimated economic life of the product.

Note G: Impairment of Long-Lived Assets

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144") which addresses financial accounting and reporting for the impairment of disposal of long-lived assets and supersedes SFAS No. 121, "accounting for the impairment of long-lived assets and for Long-lived assets to be disposed of,” and the accounting and reporting provisions of APB Opinion No. 30, "reporting the results of operations for a disposal of a segment of a business." The Company periodically evaluated the carrying value of long-lived assets to be held and

Used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long lived Assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of its determined in a similar manner, except that fair market values are reduced for the cost of disposal.

Note H: Stock Based Compensation

The Company adopted SFAS No. 123-r effective January 1, 2006 using the modified prospective method. Under this transition method, stock compensation expense includes compensation expense for all stock-based compensation awards granted on or after January 1, 2006 based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123-r.

Prior to January 1, 2006 the Company measured stock compensation using the intrinsic value method of accounting in accordance with Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees," and related interpretations (APB No. 25) and has opted for the disclosure provisions of SFAS No. 123. Thus, expense was generally not recognized for the Company's employee stock option and purchase plans.

There were no unvested stock options as of December 31, 2006 and the Company has neither granted nor vested any stock options during the year ended December 31, 2006.

Note I: Income Taxes

The Company accounts for income taxes under the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 109. "accounting for income taxes" ("statement 109"). Under Statement 109, deferred taxes assets and liabilities and their Respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Note J: Basic and Diluted Net Loss per Share

Net loss per share is calculated in accordance with the Statement of Financial Accounting Standards No. 128 (SFAS No. 128), "Earnings per Share." Basic net loss per share is based upon the weighted average number of common shares outstanding. Dilution is computed by applying the Treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Weighted average number of shares used to compute basic and diluted loss per share is the same since the effect of dilutive securities is anti-dilutive.

Note K: Fair Value of Financial Instruments

Statements of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments" requires disclosures of information about the fair value of certain financial instruments for which it is practicable to estimate that value. For purposes of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying amounts of the Company's accounts and other receivables, accounts payable, accrued liabilities, factor payable, capital lease payable and notes and loans payable approximates fair value due to the relatively short period to maturity for These instruments.

Note L: Concentrations of Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are cash and accounts receivable. The Company places its cash with financial institutions deemed by management to be of high credit quality. The amount on deposit in any one institution that exceeds federally insured limits is subject to credit risk. All of the Company's revenue and majority of its assets are derived from operations in United States of America.

Note M: Reporting Segments

Statement of Financial Accounting Standards No. 131, Disclosures About Segments of an Enterprise and Related Information (SFAS No. 131) which superseded statement of Financial Accounting Standards No. 14, Financial Reporting for Segments of a Business Enterprise, establishes standards for the way that public enterprises report information about operating segments in annual financial statements.

Healthcare was a medical billing service provider. Healthcare's sister company, Silver Shadow, made an investment in real estate where Healthcare plans to construct its first surgical center and corporate office development.

There has been very insignificant activity in Automed and silver shadow. Hence the Company Has determined it has only one segment.

Note N: Comprehensive Income

Statement of Financial Accounting Standards No. 130 Reporting Comprehensive Income (SFAS No. 130), establishes standards for reporting and display of comprehensive income its components and accumulated balances. Comprehensive income is denied to include all changes in equity, except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS No. 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income to be reported in Financial statements that are displayed with the same prominence as other financial Statements.

Note O: Reclassifications

For comparative purposes, prior years' consolidated financial statements have been reclassified to conform to report classification of the current year.

Note P: New Accounting Pronouncements

In February 2007 the FASB issued SFAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities--Including an Amendment of FASB Statement No. 115." The statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The management is currently evaluating the effect of this pronouncement on financial statements.

In December 2006, FASB issued SFAS 158 "Employers Accounting for Defined Benefit Pension and Other Post-Retirement Plans - An Amendment of FASB Statements No. 87, 88, 106 and 132(r). This Statement improves financial reporting by requiring an employer to recognize the over-funded or under-funded status of a defined benefit post-retirement pan (other than a multi-employer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for profit organization. This Statement also improves financial reporting by requiring an employer to measure the funded status of a plan as of the date of its year end statement of financial position, which limited exceptions. An employer with publicly traded equity securities is required to initially recognize the funded status of a defined benefit post retirement plan to provide the required disclosures as of the end of the fiscal year Ending after December 15, 2006. An employer without publicly traded equity securities is required to recognize the funded status of a defined benefit post-retirement plan and to provide the required disclosures as of the fiscal year ending after June 15, 2007. However, an employer without publicly traded equity securities is required to disclose the following information in the notes to financial statements for a fiscal year ending after December 15, 2006, but before June 16, 2007, unless it has applied the recognition provisions of this statement In preparing those financial statements:

A. A brief description of the provisions of this statement.
B. The date the adoption is required.
C. The date the employer plans to adopt the recognition provisions of this statement, if earlier.
D. The requirement to measure plan assets and benefit obligations as of the date of the Employer's fiscal year-end statement of financial position is effective for fiscal years ending After December 15, 2008. The management is currently evaluating the effect of this Pronouncement on financial statements.

In December 2006, FASB issued SFAS 157 'Fair Value Measurements'. This Statement defines fair value, established a framework for measuring fair value in generally accepted accounting Principles (GAAP), and expands disclosures about fair value measurements. This statement applies under other accounting pronouncements that require or permit fair value measurements, the board having previously concluded in those accounting pronouncements That fair value is the relevant measurement attribute. Accordingly, this statement does not require any new fair value measurements. However, for some entities, the application of this Statement will change current practice. This statement is effective for financial statements Issued for fiscal years beginning after November 15, 2007 and interim periods within those Fiscal years. The management is currently evaluating the effect of this pronouncement on
financial statements.

In March 2006 FASB issued SFAS 156 “Accounting for Servicing of Financial Assets” this statement amends FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, with respect to the accounting for separately recognized servicing assets and servicing liabilities. This statement:

1. Requires an entity to recognize a servicing asset or servicing liability each time it undertakes and obligation to service a financial asset by entering into a servicing contract.
2. Requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable.
3. Permits an entity to choose 'amortization method' or fair value measurement method for Each class of separately recognized servicing assets and servicing liabilities.
4. At its initial adoption, permits a one-time reclassification of available for sale securities to Trading securities by entities with recognized servicing rights, without calling into question The treatment of other available-for-sale securities under Statement 115, provided that the Available-for-sale securities are identified in some

5. manner as offsetting the entity's exposure to changes in fair value of servicing assets or servicing liabilities that a servicer elects to subsequently measure at fair value.

5. Requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities. An entity should adopt this statement as of the beginning of its first fiscal year that begins After December 15, 2006. Management believes that this statement will not have a significant Impact on the financial statement.

In February 2006, FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments".

SFAS No. 155 amends SFAS no 133, "Accounting for Derivative Instruments and Hedging Activities", and SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishers of Liabilities." SFAS No. 155, permits fair value re-measurement for any hybrid financial Instrument that contains an embedded derivative that otherwise would require bifurcation, clarifies which interest-only strips and principal-only strips are not subject to the requirements of SFAS No. 133, establishes a requirement to evaluate interest in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives, and amends SFAS No. 140 to eliminate the prohibition on the qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This statement is directive for all financial Instruments acquired or issued after the beginning of the Company's first fiscal year that begins after December 15, 006.

Note Q: Supplemental Disclosure of Non-Cash Investing and Financing Activities.