PM & E, Inc.

FINANCIAL STATEMENTS
FOR THE 3 MONTHS ENDED MARCH 31, 2014

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PM&E, INC
BALANCE SHEET
AS OF MARCH 31, 2014 AND MARCH 31, 2013

	2014	2013
ASSETS		
Current		
Cash		2,000
Protyping Equipment	150,000	
Tooling and Dies	907,000	886,000
TOTAL ASSETS	$ 1,057,000	$ 888,000
LIABILITIES		
Current		
Accounts Payable and Accrued Liabilities	$ 125,000	$ 125,000
Shareholder Loans	23,000	5,000
	148,000	130,000
SHAREHOLDER'S EQUITY		
Capital Stock	127,000	112,000
Additional Paid-In Capital	915,000	763,000
Retained Earnings (Deficit)	(133,000)	(117,000)
Total Shareholder Equity	909,000	758,000
TOTAL LIABILITIES AND SHAREHOLDER EQUITY	$ 1,057,000	$ 888,000

PM&E, INC
STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDING MARCH 31, 2014 AND MARCH 31, 2013

		2014	2013
Revenue			
	Fee Income	$ -	
Total Income		$ -	
Expenses			
	Sales and Marketing	0	
	Development Costs	1,000	2,000
	Attorney cost on Tech	500	1,000
	Rent and Phone	1,500	1,000
	General and Administrative	1,000	
Total Expenses		4,000	4,000
Net Income (Loss) Before Taxes and Extraordinary Items		$ (4,000)	$ (4,000)

PM&E, Inc
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDING MARCH 31, 2014 AND MARCH 31, 2013

	2014	2013
Cash Flows from Operating Activties		
Net Icome (loss)	$ (4,000)	$ (4,000)
(Increase) / decrease in assets:		
Accounts Receivable		
Inventory/Clinical Trials		
Other Assets		(396,000)
Prepaid Expenses		
Increase / (decrease) in liabilities:		
Commissions Payable		
Accrued Expenses		
Notes Payable		
Accrued Interest		
Accounts Payable		
Net cash used in operating activities	-	(396,000)
Net cash Increase for period	(4,000)	(400,000)
Cash Flows From Financing Activites		
Additional paid in capital		275000
Loans from Stockholders		125000
Stock Issued to management		
Net Cash Provided by Financing Activities	-	400,000
Net Increase (Decrease) During the Period	(4,000)	-
Cash and cash equivalents, Beginning of the period	4,000	2,000
Cash and cash equivalent, End of the period	$ -	$ 2,000

PM &E, INC
STATEMENT OF SHAREHOLDER EQUITY
FOR THE PERIODS ENDED MARCH 31, 2014

	Number of share	Capital Stocl	Additional Paid in Ca	Profit (Loss)	Shareholder Equity (Deficiency)
Balance December 31, 2010	112,000,000	112,000	488,000	(98,000)	502,000
Net Loss as of December 31, 2011				(2,000)	(2,000)
Balance Decmber 31, 2011	112,000,000	112,000	488,000	(100,000)	500,000
Net loss as of March 31, 2012				(2,000)	(2,000)
Balance as of March 31, 2012	112,000,000	112,000	488,000	(102,000)	498,000
Net Loss as of June 30, 2012				(3,000)	-3,000
Balance as of June 30, 2012	112,000,000	112,000	488,000	(105,000)	495,000
Net loss as of September 30, 2012				(4,000)	(4,000)
Balance as of September 30, 2012	112,000,000	112,000	488,000	(109,000)	491,000
Net loss as of December 31, 2012				(4,000)	(4,000)
Balance as of December 31, 2012	112,000,000	112,000	488,000	(113,000)	487,000
Additional Paid in Capital			275,000		275,000
Net loss as of March 31, 2013				(4,000)	(4,000)
Balance as of March 31, 2013	112,000,000	112,000	763,000	(117,000)	758,000
Additional Paid in Capital			35,000		35,000
Net Loss as of June 30, 2013				(4,000)	(4,000)
Stock issued for Services	15,000,000	15,000	100,000		115,000
Balance as of June 30, 2013	127,000,000	127,000	898,000	(121,000)	904,000
Additional Paid in Capital			17,000		17,000
Net Loss as of September 30, 2013				(4,000)	(4,000)
Balance as of September 30, 2013	127,000,000	127,000	915,000	(125,000)	917,000
Net loss as of December 31, 2013				(4,000)	(4,000)
Balance as of December 31, 2013	127,000,000	127,000	915,000	(129,000)	913,000

Net Loss as of March 31 2014				(4,000)	(4,000)
Balance as of March 31, 2014	127,000,000	127,000	915,000	(133,000)	909,000

These financial statements and notes thereto present fairly, in all material respects, the financial position of the **company and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the** United States, consistently applied and hereby certified by Jack Merck, CEO and Director ofPM&E Inc.
The accompanying notes are an integral part of these financial statements.

PM&E, INC.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2014
(UNAUDITED)

1. Operations and Business
PM&E, Inc. (the Company), was organized under the laws of the State of Colorado under the name ofPM&E, Inc.

2. Going Concern Assumption
These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.
The Company's ability to continue as a going concern is also contingent upon its ability to secure additional financing to meet its obligations as they become due.
The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

3. Basis of Financial Statement Presentation and Summary of Significant Accounting Policies
Basis of Financial Statement Presentation
The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the requirements of item 310(b) of regulation S-B. Accordingly, certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect adjustments (consisting of only normal recurring adjustments), which, in the opinion of management, are necessary for a fair presentation of the results for the periods presented. The results from operations for the interim periods are not indicative of the results expected for the full fiscal year or any future period. Certain prior period amounts have been reclassified to conform to current period presentation.

PM&E, INC.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2014
(UNAUDITED)

Summary of Significant Account Policies
(a) Unit of Measurement
The United States currency is being used as the unit of measurement in these financial statements
(b) Fair Value of Financial Instruments
The estimated fair value of financial instruments have been determined by the Company using available market information and valuation methodologies. Considerable judgement is required in estimating fair value. Accordingly, the estimates may not be indicative of the amounts the Company could realize in a current market exchange. As of MARCH 31, 2014 the carrying value of accounts payable and accrued charges and advances from shareholders approximate fair value due to the short term maturity of such instruments.
© Income Taxes
The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes". Deferred tax assets and liabilities are recorded for differences between the financial statement and tax basis of the asset and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income

tax expense is recorded for the amount of income tax payable or refundable for the period increased or decreased by the change in deferred tax credits and liabilities during the period.

(d) Earnings or (Loss) Per Share

The Company adopted FAS No. 128, "Earning per Share" which requires disclosure on the financial statements of "basic" and "diluted" earnings (loss) per share. Basic earnings (loss) per share is computed by dividing net in-

come (loss) by the weighted average number of common shares outstanding for the year. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding plus common stock equivalents (if diluted) related to stock options and warrants each year.

(e) Concentration of Credit Risk

SFAS No. 105, "Disclosure ofInformation about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments Concentration of Credit Risk", requires disclosure of any significant off-balance sheet risk and credit risk concentration. The Company does not have significant off-balance risk or credit concentration.

(1) Use of Estimates

Preparation of financial statements in accordance with accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results may ultimately differ for those estimates although management does not believe such changes will materially affect the financial statements in any individual year.

(g) Management Certification

The financial statements herein are certified by the officers of the Company to present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States of America, consistentlyapplied.

(h) Dividends

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid during the periods shown.

(i) Accounts Receivable

The trade accounts receivable and allowances for bad debt are shown below.

03/31114
Trade Accounts Receivable Allowances
$0 $0
Trade Accounts Receivable, Net
$0

(j) Office Equipment

Office Equipment will be stated at cost. Depreciation will be computed using the declining balance method over their estimated useful lives. Maintenance and repairs are charged to expense as incurred.

03/31/14
Office Equipment Accumulated Depreciation
$0 $0
Office Equipment, Net
$0
(k) Revenue Recognition
The Company follows industry standards in reporting its revenues.
(I) Advertising
Advertising is expensed when incurred. There has been no advertising since inception.

PM&E, INC.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2014
(UNAUDITED)

4. Advances from Shareholders
The advances from a shareholder are unsecured, non-interest bearing and have no fixed terms of repayment.

5. Capital Stock
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1,000,000,000 common shares, $0.001 par value per share.

MARCH 31, 2014
Common Stock
127,000
Additional Paid-In Capital
893,000
Capital Stock
$ 127,000
Shares Outstanding
127 ,000,000

6. Related Party Transactions and Balances
There have been no related party transactions during the period.

7. Income Taxes
The Company provides for income taxes under Statement of Financial Accounting Standards No. 109 accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

PM&E, INC.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2014
(UNAUDITED)

SFAS No. 109 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded. The total deferred tax asset is $1200,
which is calculated by multiplying a 15% estimated tax rate by the items making up the deferred tax account, the Net Operating Loss (NOL) of $8,000.

The provision for income taxes is comprised of the net changes in deferred taxes less the valuation account plus the current taxes payable as shown in the chart below. For the twelve months ended MARCH 31, 2014 it is as follows.

Net changes in Deferred Tax Benefit less valuation account
O
Current Taxes Payable

O
Net Provision for Income Taxes
O
The federal NOL is due to expire 20 years from the date of its creation. The chart below shows the year of creation, the amount of each estimated year's NOL and the year of expiration if not utilized.

Year Created	Amount	Year to Expire
2013 and prior	$58,000	2024 - 2031
2014	$8,000	2032
Total NOL Carry Forward	$64,000	

8. Subsequent Events
The Company appointed Pacific Stock Transfer as the new transfer agent during the recent period.

9. Operations
PM&E Inc is currently operating as a holding company.

10. Operating Leases and Other Commitments The Company has no lease obligations.

11. Reliance on Officers
The CEO has experience in multi-company operations. Ifhe were no longer able or willing to function in that capacity the Company would be negatively affected.