SCRYPT, INC.
BALANCE SHEETS
September 30, 2014 (Unaudited) and December 31, 2013 (Audited)

		Unaudited 2014		Audited 2013
ASSETS				
Current assets				
Cash and cash equivalents	$	136,116	$	290,424
Accounts receivable - trade, net of allowance for doubtful accounts of $2,733 and $7,878, respectfully		242,534		341,170
Prepaid expenses		40,547		30,432
Total current assets		419,197		662,026
Property and equipment, net of accumulated depreciation of $1,005,367 and $884,855, respectively		536,245		346,015
Total assets	$	955,442	$	1,008,041
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Current portion of notes payable	$	229,300	$	105,000
Accounts payable - trade		110,409		145,757
Accrued payroll		5,334		21,334
Accrued payroll taxes, including penalties and interest		32,543		24,033
Deferred revenue		475,888		276,030
Accrued interest		5,886		6,815
Other accrued liabilities		26,107		20,671
Total current liabilities		885,466		599,640
Total liabilities		885,466		599,640
Shareholders' equity				
Preferred stock - $0.001 par value; 15,000,000 shares authorized:				
Series A convertible preferred stock - 925,000 shares issued and outstanding (liquidation preference of $925,000)		925		925
Series B convertible preferred stock - 454,547 shares issued and outstanding (liquidation preference of $500,002)		454		454
Common stock - $0.001 par value; 40,000,000 shares authorized, 35,149,640 and 28,053,892 shares issued and outstanding, respectively		35,150		28,054
Additional paid-in capital		45,395,537		44,593,475
Accumulated deficit		(45,362,090)		(44,214,507)
Total shareholders' equity		69,976		408,401
Total liabilities and shareholders' equity	$	955,442	$	1,008,041

SCRYPT, INC.
STATEMENTS OF OPERATIONS
For the Nine Months Ended September 30, 2014 (Unaudited) and 2013 (Unaudited)

	Unaudited 2014	Unaudited 2013
Revenues	$ 2,507,880	$ 1,730,051
Operating expenses		
Cost of revenues	1,163,739	867,374
Selling, general and administrative	2,352,758	1,535,256
Operating loss	(1,008,617)	(672,578)
Other income (expense)		
Interest expense	(5,967)	(30,208)
Extraordinary items	(133,000)	-
Net loss attributable to common shareholders	$ (1,147,584)	$ (702,786)
Net loss per common share - basic and diluted	$ (0.04)	$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	29,530,092	26,044,743

SCRYPT, INC.
STATEMENTS OF CASH FLOWS
For theNine Months Ended September 30, 2014 (Unaudited) and 2013 (Unaudited)

	2014	2013
Cash flows from operating activities		
Net loss	$ (1,147,584)	$ (702,786)
Adjustments to reconcile net loss to net cash used		
in operating activities:		
Depreciation and amortization	120,513	84,576
Stock compensation expense	10,390	300,461
Stock issuance expense resulting from cancellation of an agreement	133,000	-
Restricted Stock Award Compensation Expense	401,768	-
Gain on liability adjustment		(194)
Expense associated with issuance of bonus shares of common stock	-	17,220
Amortization of debt discount	-	1,404
Increases and decreases in working capital accounts:		
Accounts receivable - trade	98,636	19,118
Prepaid expenses	(10,115)	(7,154)
Deferred revenue	199,858	54,663
Accounts payable - trade	(35,348)	42,246
Accrued liabilities	(2,984)	(27,037)
Cash flows used by operating activities	(231,867)	(217,483)
Cash flows from investing activities		
Capital expenditures	(49,076)	-
Capitalized software development costs	(261,667)	(132,399)
Cash flows used in investing activities	(310,742)	(132,399)
Cash flows from financing activities		
Proceeds from common stock sale	264,000	213,532
Bonus shares issued	-	54,415
Proceeds from Issuance of Note Payable	174,300	-
Proceeds from issuance of notes payable	-	135,000
Payments on notes payable	(50,000)	(63,946)
Cash flows provided by financing activities	388,300	339,001
Net (decrease) in cash and cash equivalents	(154,310)	(10,881)
Cash and cash equivalents, beginning of period	290,424	61,237
Cash and cash equivalents, end of period	$ 136,116	$ 50,354
Supplemental disclosures for cash flow information:		
Interest Paid	$ (6,896)	$ -
Supplemental non-cash financing activity:		
Conversion of notes payable, overdraft advances and accrued interest to common stock	$ -	$ 3,800

SECURECARE TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
For the Period Ended Sept 30, 2014 (Unaudited) and December 31, 2013 (Audited) and December 31, 2012 (Audited)

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Common Stock		Additional Paid - in Capital	Receivable for the Purchase of Equity	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at December 31, 2011 (Audited)	925,000	$ 925	454,547	$ 454	-	$ -	22,825,093	$ 22,825	$ 42,693,417	$ -	$ (43,032,145)	$ (314,524)
Issuance of common stock in connection with the sale of common stock shares							1,687,950	1,688	489,692			491,380
Issuance of common stock in connection with the issuance of notes payable and overdraft							54,930	55	14,777			14,832
Issuance of common stock in connection with the conversion of notes payable							880,780	881	263,355			264,236
Issuance of common stock in connection with the conversion of accrued interest							44,520	45	13,311			13,356
Stock Compensation Expense									85,278			85,278
Net loss for the year											(550,800)	(550,800)
Balance at December 31, 2012 (Audited)	925,000	$ 925	454,547	$ 454	-	$ -	25,493,273	$ 25,493	$ 43,559,831	$ -	$ (43,582,945)	$ 3,758
Issuance of common stock in connection with the sale of common stock shares							1,854,320	1,854	552,192			554,046
Issuance of common stock in connection with the conversion of notes payable							417,600	418	124,862			125,280
Issuance of common stock in connection with the conversion of overdraft							200,005	200	59,800			60,000
Issuance of common stock in connection with the conversion of accrued interest							16,553	17	4,950			4,966
Issuance of bonus shares of common stock							72,115	72	21,562			21,635
Stock Compensation Expense									270,277			270,277
Net loss for the year											(631,562)	(631,562)
Balance at December 31, 2013 (Audited)	925,000	$ 925	454,547	$ 454	-	$ -	28,053,866	$ 28,054	$ 44,593,474	$ -	$ (44,214,507)	$ 408,401
Issuance of common stock in connection with the sale of common stock shares							880,000	880	263,120			264,000
Issuance of common stock in connection with the Termination of the Technology License Agreement with SecureCare Technologies, Inc. UK Ltd.							700,000	700	132,300			133,000
Issuance of Restricted Stock Awards (RSAs)							5,515,748	5,516				5,516
RSA Stock Compensation Expense									396,253			396,253
Stock Compensation Expense									10,390			10,390
Net loss for the year											(1,147,584)	(1,147,584)
Balance at Sept 30, 2014 (Unaudited)	**925,000**	**925**	**454,547**	**454**	**-**	**-**	**35,149,614**	**35,150**	**45,395,537**	**-**	**(45,362,090)**	**69,976**