

Amexdrug Corporation

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of
incorporation or organization)

90-0017017

(I.R.S. Employer identification No.)

7251 Condor Street

Commerce, California 90040

(Address of principal executive offices) (Zip code)

Registrant's telephone number: (323) 725-3100

IR Contact

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Commerce, CA 90040
(323) 725-3100

Trading Symbol: AXRX

CUSIP: 031139207

Par Value: \$0.001

Total shares authorized: 1,000,000,000 as of December 31, 2014

Total shares outstanding: 169,409,620 as of December 31, 2014

Transfer Agent

Fidelity Transfer
8915 South 700 East
Salt Lake City, UT 84070
Tel: 801-562-1300
The Transfer Agent is registered under the Exchange Act.

Issuance History

In the past two years, the Company has not conducted any private placements of equity securities or convertible debt financing.

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Item 3. Financial Statements.

The consolidated balance sheets of Amexdrug Corporation, a Nevada corporation, and subsidiaries as of December 31, 2014 and December 31, 2013 (reviewed), the related consolidated statements of operations for the years ended December 31, 2014 and December 31, 2013, the related consolidated statements of cash flows for the years ended December 31, 2014 and December 31, 2013, and the notes to the consolidated financial statements. The consolidated financial statements have been prepared by Amexdrug's management.

The accompanying consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to present fairly the results of operations and financial position of Amexdrug Corporation consolidated with BioRx Pharmaceuticals, Inc., Allied Med, Inc., and Dermagen, Inc., its wholly owned subsidiaries, and all such adjustments are of a normal recurring nature. The names "Amexdrug", "we", "our" and "us" used in this report refer to Amexdrug Corporation.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Amexdrug Corporation
Commerce, California

We have reviewed the accompanying consolidated balance sheets of Amexdrug Corporation as of December 31, 2014 and 2013, and the related statements of operations, stockholders' equity and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the consolidated financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

a/ s/ HJ Associates & Consultants, LLP

HJ Associates & Consultants, LLP
Salt Lake City, Utah
April 14, 2015

AMEXDRUG CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	December 31, 2014	December 31, 2013
Assets		
Current Assets		
Cash and cash equivalents	\$ 172,569	\$ 74,703
Investment	7,651	4,891
Accounts receivable, net of allowance of \$48,111 and \$33,280, respectively	452,524	467,400
Prepaid expenses	157,910	235,016
Inventory	459,219	683,618
Deferred tax asset	25,400	15,200
Other asset	36,374	11,684
	<u>1,311,647</u>	<u>1,492,512</u>
Total Current Assets	<u>1,311,647</u>	<u>1,492,512</u>
Property and Equipment, at cost		
Office and computer equipment	254,530	253,133
Leasehold improvements	15,700	15,700
	<u>270,230</u>	<u>268,833</u>
Less accumulated depreciation	<u>(238,340)</u>	<u>(227,718)</u>
Net Property and Equipment	<u>31,890</u>	<u>41,115</u>
Other Assets		
Other deposits	29,862	29,862
Intangibles		
Trademark, net of accumulated amortization of \$1,332 and \$1,167, respectively	318	483
Goodwill	17,765	17,765
	<u>47,945</u>	<u>48,110</u>
Total Other Assets	<u>47,945</u>	<u>48,110</u>
Total Assets	<u>\$ 1,391,482</u>	<u>\$ 1,581,737</u>
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	\$ 188,468	\$ 420,019
Accrued liabilities	9,653	10,872
Deferred operating lease liability	-	2,399
Corporate tax payable	11,743	-
Notes payable related parties	108,023	108,023
Business lines and short term promissory note	292,990	270,000
Promissory note, current portion	68,544	64,441
	<u>679,421</u>	<u>875,754</u>
Total Current Liabilities	<u>679,421</u>	<u>875,754</u>
Long Term Liabilities		
Promissory note	186,511	254,587
	<u>186,511</u>	<u>254,587</u>
Total Long Term Liabilities	<u>186,511</u>	<u>254,587</u>
Total Liabilities	<u>865,932</u>	<u>1,130,341</u>
Shareholders' Equity		
Common stock, \$0.0001 par value; 1,000,000,000 authorized common shares 169,409,620 shares issued and outstanding	169,410	169,410
Additional paid in capital (deficit)	(77,594)	(77,594)
Treasury stock	(19,924)	(17,623)
Retained earnings	453,658	377,203
	<u>525,550</u>	<u>451,396</u>
Total Shareholders' Equity	<u>525,550</u>	<u>451,396</u>
Total Liabilities and Shareholders' Equity	<u>\$ 1,391,482</u>	<u>\$ 1,581,737</u>

The accompanying notes are an integral part of these reviewed consolidated financial statements

AMEXDRUG CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Sales	\$ 8,633,375	\$ 8,513,217
Cost of Goods Sold	<u>7,547,417</u>	<u>7,523,095</u>
Gross Profit	<u>1,085,958</u>	<u>990,122</u>
Operating Expenses		
Selling, general and administrative expense	<u>921,139</u>	<u>1,008,177</u>
Total Operating Expenses	<u>921,139</u>	<u>1,008,177</u>
Income before depreciation expense	164,819	(18,055)
Depreciation and amortization expense	<u>10,786</u>	<u>58,682</u>
Income before Other Income/(Expenses)	<u>154,033</u>	<u>(76,737)</u>
Other Income/(Expenses)		
Interest and other income	11	205
Penalty	(250)	-
Gain on sale of asset	(9,543)	135,401
Unrealized gain	103	1,711
Interest expense	<u>(28,480)</u>	<u>(47,139)</u>
Total Other Income/(Expenses)	<u>(38,159)</u>	<u>90,178</u>
Income before Provision for Income Taxes	115,874	13,441
Income tax (expense) benefit	<u>(39,419)</u>	<u>10,995</u>
Net Income	<u>\$ 76,455</u>	<u>\$ 24,436</u>
BASIC AND DILUTED INCOME PER SHARE	<u>\$ 0.00</u>	<u>\$ 0.00</u>
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING		
BASIC AND DILUTED	<u>169,409,620</u>	<u>169,409,620</u>

The accompanying notes are an integral part of these reviewed consolidated financial statements

AMEXDRUG CORPORATION AND SUBSIDIARIES
STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Common stock		Additional				Total
	Shares	Amount	Paid-in Capital (Deficit)	Treasury Stock	Retained Earnings		Shareholders' Equity
Balance at December 31, 2012	169,409,620	\$ 169,410	\$ (77,594)	\$ (14,933)	\$ 352,767		\$ 429,650
Treasury stock	-	-	-	(2,690)	-		(2,690)
Net income for the year ended December 31, 2013	-	-	-	-	24,436		24,436
Balance at December 31, 2013	169,409,620	169,410	(77,594)	(17,623)	377,203		451,396
Treasury stock (reviewed)	-	-	-	(2,301)	-		(2,301)
Net income for the year ended December 31, 2014	-	-	-	-	76,455		76,455
Balance at December 31, 2014	169,409,620	\$ 169,410	\$ (77,594)	\$ (19,924)	\$ 453,658		\$ 525,550

The accompanying notes are an integral part of these reviewed consolidated financial statements

AMEXDRUG CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Years Ended	
	December 31, 2014	December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 76,455	\$ 24,436
Adjustment to reconcile net income to net cash used in operating activities		
Depreciation and amortization	10,786	58,682
Unrealized gain on investment	(2,760)	1,099
Allowance for doubtful accounts	14,831	25,447
Gain on sale of asset	-	(135,401)
Change in Assets and Liabilities		
(Increase) Decrease in:		
Accounts receivable	45	65,722
Inventory	224,400	117,318
Prepaid expenses	77,106	(157,411)
Deferred tax asset	(10,200)	(15,200)
Other assets	(24,690)	(682)
Increase (Decrease) in:		
Accounts payable and accrued liabilities	(232,770)	(237,958)
Deferred operating lease liability	(2,399)	(12,191)
Corporate income tax payable	11,743	(57,300)
NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	142,547	(323,439)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of investment	-	490,000
Purchase of fixed assets	(1,397)	(2,396)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,397)	487,604
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock	(2,301)	(2,690)
Proceeds from loan payable	-	350,000
Payments on loan payable	(63,973)	(30,972)
Payoff of promissory note payable	-	(393,920)
Proceeds from credit line	516,990	270,000
Proceeds from credit line	(494,000)	(697,842)
NET CASH USED BY FINANCING ACTIVITIES	(43,284)	(505,424)
NET INCREASE (DECREASE) IN CASH	97,866	(341,259)
CASH, BEGINNING OF YEAR	74,703	415,962
CASH, END OF YEAR	\$ 172,569	\$ 74,703
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	\$ 19,840	\$ 47,139
Income taxes paid	\$ 1,001	\$ 22,727

The accompanying notes are an integral part of these reviewed consolidated financial statements

AMEXDRUG CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

1. ORGANIZATION AND LINE OF BUSINESS

Amexdrug's wholly owned subsidiaries include Allied Med, Inc., Dermagen, Inc. and BioRx Pharmaceuticals.

Allied Med, Inc., was formed in October 1997 and is engaged in the pharmaceutical wholesale business of selling brand and generic pharmaceuticals products, over-the-counter drug and non-drug products and health and beauty products to independent and chain pharmacies, alternative care facilities and other wholesalers.

Dermagen, Inc. is a manufacturing company specializing in the manufacturing and distribution of certain pharmaceuticals, medical devices, and health and beauty products. Dermagen has a US Federal Drug Administration (FDA) registered and state FDA approved manufacturing facility license to develop skin and novel health and beauty products for niche markets.

On November 8, 2004, Amexdrug formed a new subsidiary, BioRx Pharmaceuticals, Inc. as a Nevada corporation. BioRx Pharmaceuticals, Inc. was formed for the purpose of repacking and selling generic and branded pharmaceuticals. Currently, BioRx Pharmaceuticals, Inc. has assets, liabilities, and operations.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Amexdrug Corporation and its wholly-owned subsidiaries, Allied Med, Inc., Dermagen, Inc. and BioRx Pharmaceuticals. Inter-company accounts and transactions have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Amexdrug Corporation is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Revenue Recognition

The Company generates revenues from the manufacture and resale of pharmaceuticals, over-the-counter products, health and beauty care products and nutritional supplements. The Company accounts for these revenues at the time of shipment to the customer. An allowance for sales returns is provided for products sold on a cash-on-delivery basis that are not accepted or paid for by the customer.

Cash and Cash Equivalent

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

Certificate of Deposits with banking institutions are short-term investments with initial maturities of more than 90 days. The carrying amount of these investments is a reasonable estimate of fair value due to their short-term nature.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements. Significant estimates made in preparing these financial statements include the estimate of useful lives of property and equipment, the deferred tax valuation allowance, and the fair value of stock options. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost, and are depreciated using the modified accelerated cost recovery system (macrs) method over its estimated useful lives:

Machinery & Office equipment		3-10 Years
Leasehold improvements		2-5 Years

Depreciation expense was \$10,786 and \$58,682 for the years ended December 31, 2014 and 2013, respectively.

AMEXDRUG CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

Fair Value of Financial Instruments, requires disclosure of the fair value information, whether or not recognized in the balance sheet, where it is practicable to estimate that value. As of December 31, 2014, the amounts reported for cash, accounts receivable, accounts payable, accrued interest and other expenses, and notes payable approximate the fair value because of their short maturities.

Basic Income per Share Calculations

Basic income per share is computed by dividing net income by the weighted-average number of common shares outstanding. As of December 31, 2014 and 2013, the Company did not have any potentially issuable common shares outstanding; accordingly, diluted income per share is not applicable to the Company and is not presented.

Income Taxes

The Company uses the liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. The measurement of deferred tax assets and liabilities is based on provisions of applicable tax law. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance based on the amount of tax benefits that, based on available evidence, is not expected to be realized.

Research and Development

Research and development costs are expensed as incurred. There were no research and development costs during the years ended December 31, 2014 and 2013, respectively.

Advertising and Marketing Costs

The Company expenses the cost of advertising and promotional materials when incurred. Total advertising and marketing costs were \$27,993 and \$42,899 for the years ended December 31, 2014 and 2013, respectively.

Stock based Compensation

Share-based Payment applies to transactions in which an entity exchanges its equity instruments for goods or services and also applies to liabilities an entity may incur for goods or services that are to follow a fair value of those equity instruments. We will be required to follow a fair value approach using an option-pricing model, such as the Black Scholes option valuation model, at the date of a stock option grant. The deferred compensation calculated under the fair value method would then be amortized over the respective vesting period of the stock option. The adoption of this accounting pronouncement has not had a material impact on our results of operations.

Concentration of Credit Risk

The Company's historical revenues and receivables have been derived solely from the pharmaceutical industry. Although the Company primarily sells products on a cash-on-delivery basis, the Company also sells products to certain customers under credit terms. The Company performs ongoing credit evaluations of its customers' financial conditions and usually requires a delayed check depository from its customers at the date products are shipped. The Company maintains an allowance for accounts receivable that may become uncollectible.

During the year ended December 31, 2014, purchases from two vendors accounted for 72% and 20% of total purchases, respectively. Accounts payable to these vendors accounted for 0% and 9% of the total accounts payable balance as of December 31, 2014, respectively. The accounts were prepaid at year end. During the year ended December 31, 2013, purchases from those two vendors accounted 76% and 24% of total purchases, respectively. Accounts payable to these vendors accounted for 94% and 0% of the total accounts payable balance as of December 31, 2013. The loss of these vendors could have a potential negative effect upon the Company's future operations.

Accounts Receivable

An allowance for uncollectible accounts receivable is established by charges to operations for amounts required to maintain an adequate allowance, in management's judgment, to cover anticipated losses from customer accounts and sales returns. Such accounts are charged to the allowance when collection appears doubtful. Any subsequent recoveries are credited to the allowance account.

AMEXDRUG CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory includes purchased products for resale and raw materials and supplies necessary to manufacture pharmaceuticals, medical devices, and health and beauty products and is stated at the lower of cost (using the first-in, first-out method) or market value. Provisions, when required, are made to reduce excess and expired inventory to its estimated net realizable value. Although competitive pressures and pharmaceutical advancements expose the Company to the risk that estimates of the net realizable could change in the near term, the Company's agreements with most vendors provide for the right of return of outdated or expired inventory. The Company is exposed to other ownership related risks associated with inventory. Inventory consists of the following:

	2014	2013
Raw materials	\$ -	\$ 12,993
Finished goods	459,219	670,625
Total inventory	<u>\$ 459,219</u>	<u>\$ 683,618</u>

3. INTANGIBLE ASSETS

Trademarks are recorded at cost and are amortized over their estimated useful life, which is ten years. An impairment charge is recognized if the carrying amount is not recoverable and the carrying amount exceeds the fair value of the intangible assets as determined by projected discounted cash flows.

Goodwill represents the excess of the purchase price of Dermagen, Inc. over the fair value of its net assets at the date of acquisition. Goodwill is not amortized, but is tested for impairment quarterly or when a triggering event occurs. The testing for impairment requires the determination of the fair value of the asset or entity to which the goodwill relates (the reporting unit). The fair value of a reporting unit is determined based upon an eighth of the quoted market price of the Company's common stock and present value techniques based upon estimated future cash flows of the reporting unit, considering future revenues, operating costs, the risk-adjusted discount rate and other factors. Impairment is indicated if the fair value of the reporting unit is allocated to the assets and liabilities of that unit, with the excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities assigned to the fair value of goodwill. The amount of impairment of goodwill is measured by the excess of the goodwill's carrying value over its fair value. As of December 31, 2014 and 2013, the Company's goodwill was not deemed to be impaired.

The Company reviews its long-lived assets for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. The Company evaluates, at each balance sheet date, whether events and circumstances have occurred which indicate possible impairment. The Company uses an estimate of future undiscounted net cash flows from the related asset or group of assets over their remaining life in measuring whether the assets are recoverable. As of December 31, 2014, based on the analysis of estimated undiscounted future net cash flows, the Company did not consider any of its long-lived assets to be impaired.

Intangible assets that have finite useful lives continue to be amortized over their useful lives, and are reviewed for impairment when warranted by economic condition.

	Useful Lives	2014	2013
Trademarks		\$ 1,650	\$ 1,650
Less accumulated amortization	10 years	(1,332)	(1,167)
		<u>\$ 318</u>	<u>\$ 483</u>

In aggregate, the Company recognized amortization expense of \$165 and \$165 for the years ended December 31, 2014 and 2013, respectively.

4. INCOME TAXES

The Company files income tax returns in the U.S. Federal jurisdiction, and the state of California. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2012.

Accounting for Uncertainty in Income Taxes was adopted by the Company on January 1, 2007. The Company's policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the period ended December 31, 2014 and 2013, the Company did not recognize interest and penalties.

AMEXDRUG CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

5. DEFERRED TAX BENEFIT

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry-forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The provision (benefit) for income taxes for the years ended December 31, 2014 and 2013 consist of the following:

	2014	2013
Federal:		
Current	\$ 37,800	\$ 76,000
Deferred	(8,900)	(63,200)
State:		
Current	16,200	5,000
Deferred	(1,300)	(9,300)
	<u>\$ 43,800</u>	<u>\$ 8,500</u>

Net deferred tax assets consist of the following components as of December 31, 2014 and 2013:

	2014	2013
Deferred Tax Assets:		
NOL Carryover	\$ -	\$ -
Capital Loss Carryover	-	1,300
Depreciation	3,200	1,000
Related Party Accrual	3,400	-
Allowance for Doubtful Accounts	18,800	13,000
Deferred Tax Liabilities:		
Unrealized Gain	-	(100)
Net Deferred Tax Asset/(Liability)	<u>\$ 25,400</u>	<u>\$ 15,200</u>

The income tax provision differs from the amount of income tax determined by applying the U.S. federal and state income tax rate of 39% to pretax income from continuing operations for the years ended December 31, 2014 and 2013 due to the following:

	2014	2013
Book income	\$ 45,600	\$ 900
State income taxes	(6,300)	(1,900)
Depreciation	2,300	2,600
Meals and entertainment	3,800	1,500
Gain on sale of asset	-	79,400
Allowance for doubtful accounts	5,800	9,900
Related party accruals	3,400	(400)
Unrealized gain	-	700
Prior year tax expense over estimates		
Change in deferred tax asset/(liability)	(10,200)	(72,500)
Provision to return differences	(300)	(15,000)
NOL Benefit	-	-
Estimated tax rates to actual	(300)	(11,800)
State depreciation difference	-	87,600
Valuation Allowance		
Income tax expense (benefit)	<u>43,800</u>	<u>81,000</u>

6. RELATED PARTY TRANSACTIONS

The Company borrowed \$109,202 from a shareholder to facilitate the purchase of Dermagen and to cover operating expenses. The balance of \$108,023 is an unsecured loan payable on demand and carries an annual interest rate of 8%, payable every 6 months. The interest paid as of December 31, 2014 and 2013 was \$0 and \$9,608, respectively.

AMEXDRUG CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

7. BANK LINE OF CREDIT

The Company received an unsecured revolving line of credit from Wells Fargo Bank for \$70,000, which as of December 31, 2014 and 2013 has a balance owing of \$0, respectively. The interest rate is prime plus 4% payable every month.

The Company renewed its secured line of credit during June 2014 from National Bank of California for \$350,000, which as of December 31, 2014 and 2013 has a balance owing of \$292,990 and \$270,000, respectively. The line of credit is secured by a personal guarantee and accounts receivable. The interest rate is 5.5% per annum and payable every month. The note matures in June 2015.

8. PROMISSORY NOTES

On June 9, 2013, the Company entered into a demand promissory note in the amount of \$350,000, with a variable interest rate based on the index, which was currently 3.25% per annum at the time the note was signed. At the lenders discretion the note must be paid in full upon demand. If no demand is made, the note will be paid in sixty (60) monthly payments of \$6,698. The first payment was due July 9, 2013, and all subsequent payments are due on the same day of each month there after. The final payment of principal and accrued interest is due on June 9, 2018.

Note Payable	\$ 255,055
Less current maturities	<u>68,544</u>
	<u><u>\$ 186,511</u></u>

Maturities of note payable is as follows:

December 31, 2016	\$ 71,916
December 31, 2017	75,972
December 31, 2018	<u>38,623</u>
	<u><u>\$ 186,511</u></u>

On July 30, 2012, the Company entered into a promissory note for the purchase of equipment in the amount of \$393,920, with an interest rate of 4.5%. The Company made the following agreements for payment of the loan. First, three (3) monthly consecutive interest payments beginning August 30, 2012 calculated on the unpaid principal balance, to be followed by fifty-nine (59) monthly consecutive principal and interest payments of \$5,488 each beginning on November 30, 2012. The final payment of principal and interest of \$131,093 was due on October 30, 2017, the notes maturity date. The note was paid in full as of December 31, 2013. The interest paid on the note during the year ended December 31, 2013 was \$7,387.

9. BUSINESS SEGMENT INFORMATION

Beginning in 2005, the Company has operations in two segments of its business, namely: Distribution and Health and Beauty Products. Distribution consists of the wholesale pharmaceutical distribution and resale of brand and generic pharmaceutical products, over-the-counter drugs and non-drug products and health and beauty products. Health and Beauty Products consist of the manufacture and distribution of primarily health and beauty products.

The following tables describe information regarding the operations and assets of these reportable business segments:

	Distributions	Health and Beauty Products	Total
For the year ended December 31, 2014			
Sales to external customers	\$ 6,225,233	\$ 2,408,142	\$ 8,633,375
Depreciation and amortization	3,759	7,027	10,786
Segment income (loss) before taxes	133,211	(17,364)	115,847
Segment assets	712,714	675,818	1,388,532
For the year ended December 31, 2013			
Sales to external customers	\$ 5,769,469	\$ 2,743,748	\$ 8,513,217
Depreciation and amortization	5,058	53,624	58,682
Segment income (loss) before taxes	6,436	37,480	43,916
Segment assets	755,966	790,588	1,546,554

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events according to the requirements of ASC TOPIC 855, and has determined there are no subsequent events to be reported.

Item 4. BUSINESS SEGMENT INFORMATION

Beginning in 2005, the Company has operations in two segments of its business, namely: Distribution and Health and Beauty Products. Distribution consists of the wholesale pharmaceutical distribution and resale of brand and generic pharmaceutical products, over-the-counter drugs and non-drug products and health and beauty products. Health and Beauty Products consist of the manufacture and distribution of primarily health and beauty products.

Amexdrug Corporation is located at 7251 Condor Street, Commerce, California 90040. Its phone number is (323) 725-3100. Its fax number is (323)725-3133. Its website is www.amexdrug.com. Shares of Amexdrug common stock are traded on the OTC Bulletin Board under the symbol AXRX.OB. The President of Amexdrug has had experience working in the pharmaceutical industry for the past 30 years.

Amexdrug Corporation, through its wholly-owned subsidiaries, BioRx Pharmaceuticals, Inc., Allied Med, Inc., Dermagen, Inc. and Royal Health Care, Inc., is a pharmaceutical and cosmeceutical company specializing in the research and development, manufacturing and distribution of pharmaceutical drugs, cosmetics and distribution of prescription and over-the-counter drugs, private manufacturing and labeling and a quality control laboratory. At Amexdrug Corporation, it is our anticipation to give our clientele the opportunity to purchase cost effective products while attempting to maximize the return of investments to our shareholders.

Amexdrug Corporation distributes its products through its subsidiaries, BioRx Pharmaceuticals, Inc., Allied Med, Inc., Dermagen, Inc. and Royal Health Care, Inc. primarily to independent pharmacies and secondarily to small-sized pharmacy chains, alternative care facilities and other wholesalers and retailers in the state of California.

BioRx Pharmaceuticals, Inc. is a proud member of the National Association of Chain Drug Stores (NACDS). BioRx Pharmaceuticals, Inc. has developed fourteen unique innovative products in the industry under the name Sponix.

Our team of professionals fully pledges the effectiveness of our distinct products.

At this time, we have certain distribution channels with suppliers and customers whom we know and trust, such as Amazon, and hundreds of independent pharmacies. Of the estimated 100,000 retailers (drug stores and food mass), our goal is to have 20,000 stores carry our products in 2013.

References in this report to "we," "our," "us," the "company" and "Amexdrug" refer to Amexdrug Corporation and also to our subsidiaries, BioRx Pharmaceuticals, Inc., Allied Med, Inc., Dermagen, Inc. and Royal Health Care.

BioRx Pharmaceuticals

On November 8, 2004, Amexdrug formed a new subsidiary, BioRx Pharmaceuticals, Inc. as a Nevada corporation. BioRx Pharmaceuticals, Inc. sells pharmacy and laboratory supplies nationwide. BioRx Pharmaceuticals, Inc. is also committed to offer skin care and over the counter (OTC) products that are recommended with trust and faith by physicians, primarily podiatrists and dermatologists. The focus and mission of BioRx Pharmaceuticals, Inc. is to create, develop and manufacture products to help ease pain and restore and maintain the overall well-being of our customers. We strive for high performance and quality. Our commitment is to offer natural and OTC products that are recommended with confidence by doctors and pharmacists and that the customer can use with pleasure. Our compliance program is diligently followed through the Company. BioRx Pharmaceuticals, Inc. maintains high ethics for animal welfare and our products are never tested on animals. All products are made in the USA.

A total of fourteen innovative health and wellness products have been manufactured for sale by BioRx Pharmaceuticals, Inc. These over-the-counter and natural products are effective for treatment of fungus, arthritis, sunburn protection and for healthy feet and nails. BioRx Pharmaceuticals is planning to sell these products to national chain drugstores, sport chain stores, natural food markets and other mass markets. These products are being marketed under the name of Sponix, and are being sold under the name of BioRx Pharmaceuticals.

Allied Med, Inc.

On December 31, 2001, Amexdrug acquired all of the issued and outstanding common shares of Allied Med, Inc., an Oregon corporation, in a share exchange in a related party transaction.

Allied Med, Inc., was formed as an Oregon corporation in October 1997 to operate in the pharmaceutical wholesale business of selling a full line of brand name and generic pharmaceutical products, over-the-counter (OTC) drug and non-drug products and health and beauty products to independent and chain pharmacies, alternative care facilities and other wholesalers. At Allied Med our sincere interest is our customers' needs. Our competitive discount pricing allows our customers an advantage.

Amexdrug assumed the operations of Allied Med, and Amexdrug has been building on the wholesale pharmaceutical operations of Allied Med.

The accompanying financial information includes the operations of Allied Med for all periods presented and the operations of Amexdrug Corporation from April 25, 2000.

Dermagen, Inc.

Amexdrug completed its purchase of Dermagen, Inc. on October 7, 2005. Dermagen, Inc. is now an operating subsidiary of Amexdrug. The acquisition of Dermagen, Inc. is not considered to be an acquisition of a significant amount of assets which would require audited financial statements of Dermagen, Inc.

Dermagen, Inc. is a growing manufacturing company specializing in the manufacturing and distribution of certain pharmaceuticals and health and beauty products. Dermagen, Inc. has a U.S.-FDA registered and state FDA approved manufacturing facility licensed to develop high margin skin and novel health and beauty products for niche markets. Dermagen's competitive advantage is in its excellent product research and development.

Royal Health Care Company

In October 2003, Allied Med, Inc. acquired 100% of the assets of Royal Health Care Company. Royal Health Care Company is a health and beauty company which has sold specially manufactured facial and body creams, arthritic pain relief medications and an exclusive patented hair care product to pharmacies, beauty salons, beauty supply stores and other fine shops. Royal Health Care Company uses the highest quality ingredients for the finest quality products. Each product has been formulated with the essential ingredients and plant extracts to achieve optimum potential and quality. Royal Health Care Company products are manufactured by Dermagen, Inc. in an FDA approved manufacturing facility.

The Royal Health Care Company assets acquired include the "Royal Health Care Company" name, logo, and related trademarks, all formulas to products manufactured for sale under the Royal Health Care Company name, and the Royal Health Care Company list of customers. These intellectual property rights were acquired without cost from a company in which Jack Amin's wife is a principal shareholder. Mr. Amin is the CEO and Chairman of Amexdrug Corporation and Allied Med, Inc. Management believes this acquisition will provide the Company with an opportunity to increase the number of products sold by the Company, and expand the Company's customer base.

On October 28, 2004, Amexdrug formed a new subsidiary, Royal Health Care, Inc. as a Nevada corporation. Royal Health Care, Inc. was formed to manufacture and sell health and beauty products.

Lease Agreements

The Company's principal executive offices and its warehouse and distribution operations moved to 7251 Condor Street, Commerce California in March 2011. The Company leases 27,500 square feet at this location. The rental amount increased from \$7,700 per month to \$8,800 per month effective March 1, 2013. Approximately 2,500 square feet of the premises is used for executive offices, and the balance of the premises is used for warehouse and distribution operations. The lease is for a period of three years which commenced on March 1, 2011 and terminates on February 28, 2014. The Company has the option to extend the lease for two additional three year periods. If the Company exercises the first option to extend, the rental rate would increase to \$9,900 per month effective March 1, 2014, \$11,000 per month effective March 1, 2015 and \$11,550 per month effective March 1, 2016. If the Company exercises the second option to extend, the rental rate would be adjusted to a fair market rental value as may be agreed to by the parties or as may be determined by an appraiser or arbitrator as provided in the Option to Extend Addendum. Payment of the lease has been personally guaranteed by Jack Amin and his wife, Nora Amin. The Company believes this space will be sufficient for at least the next twelve months.

The Company's Dermagen, Inc. manufacturing operations are currently located at 2500 East Fender Avenue, Units I&J, Fullerton, California, which is leased under one lease agreement dated March 1, 2011. The Company leases approximately 3,520 square feet at a rental rate of \$2,464 per month. The lease was initially for a period of one year which commenced on March 1, 2011. In early 2012, and again in early 2013, the parties executed Amendments to extend the lease term for one year. The lease will now expire on February 28, 2014. Payment of the lease has been personally guaranteed by Jack Amin. The Company believes this space will be sufficient for at least the next twelve months.

The Company believes that the various facilities covered by the leases described above will be sufficient for at least the next twelve months.

Business Segments

Since 2005, Amexdrug has had operations in two segments of its business, namely: Distribution and Health and Beauty Products. Distribution consists of the wholesale pharmaceutical distribution and resale of brand and generic pharmaceutical products, over-the-counter drugs and non-drug products and health and beauty products. Health and Beauty Products consist of the manufacture and distribution of primarily health and beauty products. Manufacturing includes expertise in research and development for health care industry products, including pharmacy supplies.

Item 5. Identification of directors and executive officers

<u>Name</u>	<u>Title</u>	<u>Number of shares Beneficially Owned</u>		<u>Percent of Class</u>
Jack Amin 7251 Condor Street Commerce, CA 90040	President, Secretary, Treasurer and Director	155,184,040	91.7%	
Rodney S. Baron, MD	Director	0		0.0%
Behrooz Meimand	Director	0		0.0%

Item 6. Legal Proceedings

To the best of Amexdrug's knowledge, no governmental authority is contemplating the filing of any material legal proceeding against the Company or its officers and directors.

Legal Counsel

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Certifications of Chief Executive Officer and Chief Financial Officer

I, Jack Amin, certify that:

1. I have reviewed this annual report disclosure of Amexdrug Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: April 14, 2014

/s/ Jack Amin
Jack Amin, Chief Financial Officer