RECRUITS, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE QUARTER ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ownership — Recruits is a small, publicly traded company that focuses exclusively on providing software, hardware and services for the global SAP HANA market. Recruits is majority owned by the Chavez family.

Basis of Presentation — The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents — Cash and cash equivalents include cash and short-term investments with original maturities of less than three months.

Property and Equipment — Property and equipment are recorded at cost. For financial reporting purposes, depreciation on furniture, computers and fixtures is computed on the straight-line method over the estimated useful lives of the assets.

Income Taxes — The Company is a C corporation for state and federal income tax reporting purposes. The Company prepares its state and federal income tax returns on the accrual basis.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to changes between the financial statement carrying amounts of existing 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. 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.

2. SUBSEQUENT EVENTS

The Company has evaluated the events and transactions subsequent to June 30, 2015, through July 23, 2015, the date when the quarterly financial statements were issued, and determined that there are no material events or transactions that would require adjustments or disclosures in the Company's financial statements.