PADGETT
BUSINESS SERVICES

Financial Information

Prepared For

OVATION MUSIC - CONSOLIDATION.
8194 GLADES RD
BOCA RATON, FL 33434

March, 2016

Tax Consulting & Preparation * Financial Reporting * Business Advice
Complete Payroll Service * Government Compliance * 125 Plan Administration
Credit Card Processing * Pension Administration * Equipment Financing
Workers Compensation Payment System (not available in all states)

Padgett Business Services
1700 Dixie Hwy 100
Boca Raton, FL 33432
T: 561-361-0115

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Boca Raton, FL 33432
561-361-0115

Transmittal Letter

TO:

OVATION MUSIC - CONSOLIDATION.
8194 GLADES RD
BOCA RATON, FL 33434

We have prepared the accompanying reports of OVATION MUSIC - CONSOLIDATION. as of March 31, 2016 for the month then ended. The attached reports are the representation of management (owners) and for management's use only. The reports have been prepared using the same methodology used by the Company for income tax purposes.

Cordially,

Padgett Business Services
MAR. 31, 2016

OVATION MUSIC - CONSOLIDATION.
BALANCE SHEET
As of March 31, 2016 and 2015

ASSETS

	2016	2015	Increase (Decrease)
CURRENT ASSETS			
PNC BANK-6219	$ 10	$ 14,397	$ (14,387)
REGIONS BANK 8602	1,208	1,000	208
PNC BANK 8581	4,138	919	3,219
PNC BANK 8602	50	25,023	(24,973)
Petty Cash	163	0	163
Cash In Transit	0	3,781	(3,781)
Total Cash	5,569	45,120	(39,551)
Inventory-Boca	10,050	6,320	3,730
Inventory-TN	5,354	0	5,354
TOTAL CURRENT ASSETS	20,973	51,440	(30,467)
PROPERTY AND EQUIPMENT			
Build Out	10,662	10,662	0
Signage	663	663	0
Computer Software-Mindbody	1,973	1,047	926
Build Out-Nashville	20,183	0	20,183
Accumulated Depreciation	(786)	(786)	0
NET PROPERTY AND EQUIPMENT	32,695	11,586	21,109
OTHER ASSETS			
Deposit-Nashville	1,000	0	1,000
TOTAL OTHER ASSETS	1,000	0	1,000
TOTAL ASSETS	$ 54,668	$ 63,026	$ (8,358)

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OVATION MUSIC - CONSOLIDATION.
BALANCE SHEET
As of March 31, 2016 and 2015

LIABILITIES AND EQUITY

	2016	2015	Increase (Decrease)
CURRENT LIABILITIES			
Payroll Clearing	$ (348)	$ 0	$ (348)
Accrued Payroll	0	2,838	(2,838)
Merchant Advance	25,007	0	25,007
Loan Scott-Investors	25,000	10,000	15,000
Accrued Rent	18,721	0	18,721
Accrued Transfer Fee	4,120	0	4,120
Sales Tax Payable	204	162	42
Payroll Taxes Payable	0	307	(307)
TOTAL CURRENT LIABILITIES	72,704	13,307	59,397
TOTAL LIABILITIES	72,704	13,307	59,397
EQUITY			
Paid In Capital	8,017	2,817	5,200
CAPITAL INVESTMENT	161,700	105,035	56,665
Retained Earnings	(179,554)	(30,925)	(148,629)
Shareholder Drawings	(78)	0	(78)
Net Income	(8,121)	(27,208)	19,087
TOTAL EQUITY	(18,036)	49,719	(67,755)
TOTAL LIABILITIES AND EQUITY	$ 54,668	$ 63,026	$ (8,358)

Printed: 8/04/16

OVATION MUSIC - CONSOLIDATION.
STATEMENT OF OPERATIONS
For the 1 Month and 3 Months Ended March 31, 2016 and 2015

	1 Month Ended Mar. 31, 2016	1 Month Ended Mar. 31, 2015	% Change	3 Months Ended Mar. 31, 2016	3 Months Ended Mar. 31, 2015	% Change
Income						
NON-TAXABLE SALES	$ 16,996	$ 25,312	(32.9)	$ 55,229	$ 50,736	8.9
TAXABLE SALES	2,515	2,728	(7.8)	10,204	10,884	(6.2)
Merchandise & Rentals	0	0		0	0	
TN EQPT SALES	0	0		0	0	
TN Sales	0	0		0	0	
Total Income	19,511	28,040	(30.4)	65,433	61,620	6.2
Cost of Goods Sold						
Cost Of Goods Sold	713	1,147	(37.8)	2,964	6,444	(54.0)
Total Cost of Goods Sold	713	1,147	(37.8)	2,964	6,444	(54.0)
Gross Profit	18,798	26,893	(30.1)	62,469	55,176	13.2
Operating Expenses						
Wages	2,061	3,410	(39.6)	16,722	11,167	49.7
Officers Salaries	0	2,274	(100.0)	3,979	9,658	(58.8)
Employer Payroll Taxes	445	479	(7.1)	2,140	1,524	40.4
Insurance	0	0		0	51	(100.0)
Supplies	0	155	(100.0)	63	782	(91.9)
Legal And Accounting	3,235	1,650	96.1	5,440	19,205	(71.7)
Advertising And Promotion	0	2,272	(100.0)	270	4,937	(94.5)
Rent	6,035	1	603,400.	18,201	8,869	105.2
Outside Labor	6,023	6,348	(5.1)	15,967	18,960	(15.8)
Utilities	660	707	(6.6)	2,350	1,536	53.0
Licenses And Taxes	0	0		0	158	(100.0)
Freight	0	76	(100.0)	13	79	(83.5)
Repairs And Maintenance	0	0		51	120	(57.5)
Interest	0	0		0	(109)	(100.0)
Meals And Entertainment - 50	6	0		98	15	553.3
Bank Charges	76	110	(30.9)	309	110	180.9
Office	207	287	(27.9)	583	1,359	(57.1)
Miscellaneous	463	1,374	(66.3)	881	1,373	(35.8)
Equipment Leases	0	0		171	0	
Dues And Subscriptions	0	43	(100.0)	0	43	(100.0)
Credit Card Processing Fees	602	441	36.5	2,020	1,379	46.5
Storage	211	201	5.0	618	604	2.3
REIMBURSED EXPENSE	64	0		211	0	
Security System	0	46	(100.0)	0	138	(100.0)
Computer Software	170	0		510	442	15.4

OVATION MUSIC - CONSOLIDATION.
STATEMENT OF OPERATIONS
For the 1 Month and 3 Months Ended March 31, 2016 and 2015

	1 Month Ended Mar. 31, 2016	1 Month Ended Mar. 31, 2015	% Change	3 Months Ended Mar. 31, 2016	3 Months Ended Mar. 31, 2015	% Change
Total Operating Expenses	20,258	19,874	1.9	70,597	82,400	(14.3)
Operating Income (Loss)	(1,460)	7,019	(120.8)	(8,128)	(27,224)	(70.1)
Other Income (Expense)						
Other Income	2	4	(50.0)	7	16	(56.3)
Total Other Income (Expense)	2	4	(50.0)	7	16	(56.3)
NET INCOME (LOSS) BEFORE TAXE	$ (1,458)	$ 7,023	(120.8)	$ (8,121)	$ (27,208)	(70.2)

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