FLAME SEAL PRODUCTS, INC.

PROFIT & LOSS STATEMENT

January through June 2016

	Jan - Jun 2016	
Sales	\$	1,561,608
Other Income		(1,006)
		1,560,602
Cost of Sales		
Purchases		654,307
Freight		94,296
Certification Testing		
Outside Services-Production		1,320
Total Cost of Sales		749,924
Gross Profit	\$	810,678
Selling, General, & Admin Expenses		
Expenses		823,325
Total S G & A	•	823,325
Net Ordinary Loss		(12,647)
Other Income		
Interest Income		10
Total other Expenses	9	10
Other Expense		
Interest Expense		12,381
Total Expense		12,381
Net Other Income / Expenses		(12,371)
Net Loss	\$	(25,017)

Prepared without Audit

FLAME SEAL PRODUCTS, INC.

BALANCE SHEET

June 30, 2016

Current Assets \$ 153,2 Accounts Receivables-Trade 310,0 Inventory 329,6 Prepaid Insurance/Vendors 3,4 Total Current Assets 796,3 Fixed Assets 796,3 Product Testing 256,4 Property Plant & Equipments 310,2 Net of Depreciation (\$) (148,8) Total Fixes Assets 417,8) Other Assets 233,60 Patents 233,60 Valuation Allowance (837,6) Accumulated Amortiziation (261,38 Total Other Assets (27,76 TOTAL ASSETS \$ 1,186,41 Liabilities & Stockholders Equity Current Liability \$ 160,98 Accrued Interest Payable 50,83 Notes Payable-Current Portion 35,91 Total Current Liabilities 1,084,29 Total Liabilities 1,332,01 Stockholders Equity 4dditional Paid-In Capital 10,793,66 Captial Stock 582,31	ASSETS	Ion	- Jun 2016
Cash \$ 153,2 Accounts Receivables-Trade 310,0 Inventory 329,6 Prepaid Insurance/Vendors 3,4 Total Current Assets 796,3 Fixed Assets 796,3 Product Testing 256,4 Property Plant & Equipments 310,2 Net of Depreciation (\$) (148,8 Total Fixes Assets 417,8 Other Assets 233,6 Valuation Allowance (837,6 Accumulated Amortiziation (261,3 Total Other Assets (27,76 TOTAL ASSETS \$ 1,186,41 Liabilities & Stockholders Equity Current Liability \$ 160,98 Accrued Interest Payable 50,83 Notes Payable-Current Portion 35,91 Total Current Liabilities 1,084,29 Total Liabilities 1,332,01 Stockholders Equity Additional Paid-In Capital 10,793,66 Captial Stock 582,31		Jan	- Jun 2016
Accounts Receivables-Trade			153 211
Inventory Prepaid Insurance/Vendors Total Current Assets Fixed Assets Product Testing Property Plant & Equipments Net of Depreciation (\$) Total Fixes Assets Deferred Tax Patents Valuation Allowance Accumulated Amortiziation Total Other Assets Total Other Assets Total Other Assets Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Stockholders Equity Long-Term Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock 582,31	Accounts Receivables-Trade	Ψ	1-30-7-7-7-7-10-10-7-7-7-7-7-7-7-7-7-7-7-7-
Prepaid Insurance/Vendors Total Current Assets 796,3i Fixed Assets Product Testing Property Plant & Equipments Net of Depreciation (\$) Total Fixes Assets Deferred Tax Patents Valuation Allowance Accumulated Amortiziation Total Other Assets TOTAL ASSETS Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Ling-Term Debt Total Liabilities Stockholders Equity Current Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock 582,31			
Total Current Assets Fixed Assets Product Testing Property Plant & Equipments Net of Depreciation (\$) Total Fixes Assets Other Assets Deferred Tax Patents Valuation Allowance Accumulated Amortiziation Total Other Assets TOTAL ASSETS Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Ling-Term Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock 582,31	<u>.</u>		3,442
Product Testing Property Plant & Equipments Net of Depreciation (\$) Total Fixes Assets Other Assets Deferred Tax Patents Valuation Allowance Accumulated Amortiziation Total Other Assets TOTAL ASSETS Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Long-Term Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock Stockholders Equity Additional Paid-In Capital Captial Stock Stockholders 582,31		-	796,363
Property Plant & Equipments Net of Depreciation (\$) Total Fixes Assets Other Assets Deferred Tax Patents Valuation Allowance Accumulated Amortiziation Total Other Assets C27,76 TOTAL ASSETS Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Long-Term Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock 10,793,666 Captial Stock 11,48,83 417,	Fixed Assets		
Property Plant & Equipments Net of Depreciation (\$) Total Fixes Assets Other Assets Deferred Tax Patents Valuation Allowance Accumulated Amortiziation Total Other Assets C27,76 TOTAL ASSETS Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Long-Term Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock 10,793,666 Captial Stock 11,48,83 417,81 417	Product Testing		256,417
Net of Depreciation (\$) Total Fixes Assets Other Assets Deferred Tax Patents Valuation Allowance Accumulated Amortiziation Total Other Assets (27,76) TOTAL ASSETS Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Long-Term Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock (148,83 417,81 417,81 417,81 417,81 417,81 437,67 437,67 437,67 53	Property Plant & Equipments		310,234
Total Fixes Assets Other Assets Deferred Tax Patents Valuation Allowance Accumulated Amortiziation Total Other Assets TOTAL ASSETS Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Long-Term Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock 10,793,666 Captial Stock			(148,832)
Deferred Tax Patents Patents Valuation Allowance Accumulated Amortiziation Total Other Assets (27,76) TOTAL ASSETS Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Long-Term Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock 233,62 (837,67 (837,67 (8437,67	200 July 100		417,819
Patents Valuation Allowance Accumulated Amortiziation Total Other Assets TOTAL ASSETS Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Long-Term Debt Total Liabilities Stockholders Equity Current Liabilities 1,084,29 Stockholders Equity Additional Paid-In Capital Captial Stock 10,793,666 Captial Stock 582,31	Other Assets		
Valuation Allowance Accumulated Amortiziation Total Other Assets (27,76 TOTAL ASSETS Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities Long-Term Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock (837,67 (837,67 (837,67 (84,767 \$ 1,186,41	Deferred Tax		837,672
Accumulated Amortiziation Total Other Assets (27,76) TOTAL ASSETS \$ 1,186,41 Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilities 247,72 Long-Term Debt Total Liabilities 1,084,29 Total Liabilities 10,793,66 Captial Stock 582,31	Patents		233,623
Total Other Assets (27,76 TOTAL ASSETS \$ 1,186,41 Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilites 247,72 Long-Term Debt Total Liabilities 1,084,29 Total Liabilities 1,084,29 Total Liabilities 10,793,666 Captial Stock 582,31	Valuation Allowance		(837,672)
TOTAL ASSETS \$ 1,186,41 Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable Notes Payable-Current Portion Total Current Liabilites 247,72 Long-Term Debt Total Liabilities 1,084,29 Total Liabilities 1,0793,66 Captial Stock 582,31	Accumulated Amortiziation		(261,386)
Liabilities & Stockholders Equity Current Liability Accounts Payable Accrued Interest Payable So,83 Notes Payable-Current Portion Total Current Liabilites Long-Term Debt Total Liabilities Stockholders Equity Additional Paid-In Capital Captial Stock 1,100,98 160,98 50,83 160,98 1	Total Other Assets	8	(27,763)
Current Liability Accounts Payable S 160,98 Accrued Interest Payable S 50,83 Notes Payable-Current Portion Total Current Liabilities 247,72 Long-Term Debt Total Liabilities 1,084,29 Total Liabilities 1,332,01 Stockholders Equity Additional Paid-In Capital Captial Stock 582,31	TOTAL ASSETS	\$	1,186,419
Current Liability Accounts Payable S 160,98 Accrued Interest Payable S 50,83 Notes Payable-Current Portion Total Current Liabilities 247,72 Long-Term Debt Total Liabilities 1,084,29 Total Liabilities 1,332,01 Stockholders Equity Additional Paid-In Capital Captial Stock 582,31	Liabilities & Stockholders Equity		
Accounts Payable \$ 160,98 Accrued Interest Payable 50,83 Notes Payable-Current Portion 35,91 Total Current Liablilites 247,72 Long-Term Debt 1,084,29 Total Liabilities 1,332,01 Stockholders Equity Additional Paid-In Capital 10,793,66 Captial Stock 582,31			
Accrued Interest Payable 50,83 Notes Payable-Current Portion 35,91 Total Current Liablilites 247,72 Long-Term Debt 1,084,29 Total Liabilities 1,332,01 Stockholders Equity Additional Paid-In Capital 10,793,66 Captial Stock 582,31	•	\$	160,980
Notes Payable-Current Portion 35,91 Total Current Liablilites 247,72 Long-Term Debt 1,084,29 Total Liabilities 1,332,01 Stockholders Equity Additional Paid-In Capital 10,793,66 Captial Stock 582,31			50,835
Total Current Liablilites 247,72 Long-Term Debt 1,084,29 Total Liabilities 1,332,01 Stockholders Equity Additional Paid-In Capital 10,793,66 Captial Stock 582,31			35,910
Total Liabilities 1,332,01 Stockholders Equity Additional Paid-In Capital 10,793,66 Captial Stock 582,31	Section of the sectio		247,725
Stockholders Equity Additional Paid-In Capital 10,793,66 Captial Stock 582,31	Long-Term Debt		1,084,293
Additional Paid-In Capital 10,793,66 Captial Stock 582,31	Total Liabilities		1,332,018
Captial Stock 582,31	Stockholders Equity		
	Additional Paid-In Capital		10,793,662
Datained Formings	Captial Stock		582,311
Retained Earnings (11,496,55	Retained Earnings	((11,496,555)
Net Loss for 6 months (25,01	Net Loss for 6 months		(25,017)
Total Equity (145,59	Total Equity		(145,599)
TOTAL LIABILITES & EQUITY \$ 1,186,41	TOTAL LIABILITES & EQUITY	\$	1,186,419

Prepared without Audit

FLAME SEAL PRODUCTS, INC.

CASH FLOW

June 30, 2016

	Jan - Jun 30, 2016
OPERATING ACTIVITIES	
Net Loss	-25,017
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Accounts Receivable	8,235
Inventories:Inventory - Finished Goods	-155,112
Prepaid Expense	0
Prepaid Insurance	11,734
Accounts Payable	69,532
Payroll Liabilities	255
Sales Tax Payable	0
Accrued Interest Payable	12,381
Accrued Property Taxes	10,066
Net cash provided by Operating Activities	-67,926
INVESTING ACTIVITIES	
Product Development Testing	-46,869
Property & Equipment	-70,322
Accumulated Depreciation	25,794
Accumulated Amortiziation	-6,930
Net cash provided by Investing Activities	-98,327
FINANCING ACTIVITIES	
ShareHolder Loans	24,669
Additional paid-in capital	88,137
Capital Stock	3,072
Net cash provided by Financing Activities	115,878
Net cash increase for period	-50,375
Cash at beginning of period	204,010
ash at end of period	153,635

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