

## Notes to Financial Statements

### **NHPI NOTES TO FINANCIAL STATEMENTS (unaudited)**

#### **Summary of Significant Accounting Policies**

##### **Basis of Presentation**

The accompanying un-audited interim financial statements include all information and footnotes required by accounting principles generally accepted in the United States of America ("GAAP") for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of financial position and the results of operations for the periods presented have been included. Operating results for the periods are not necessarily indicative of the results that may be expected for future years. All transactions are denominated in US dollars.

##### **Management's Estimates and Assumptions**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements.

##### **Fair Value of Financial Instruments**

The fair value of financial instruments approximates their carrying values at period end dates due to their short maturities. These financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable.

##### **Cash and Cash Equivalents**

The Company considers all highly liquid investments purchased with an initial maturity of 90 days or less to be cash equivalents.

##### **Accounts Receivable and Allowance for Doubtful Accounts**

The Company recognizes an allowance for losses on accounts receivable based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. As of 09/30/2014, management has

determined all receivable balances to be fully collectible and accordingly, no allowance was recognized at such time. Accounts receivable are non-interest bearing and are generally unsecured.

### **Inventories**

Inventories are stated at the lower of cost or market with cost being determined on the first-in, first-out method. Work in progress and finished goods inventory includes an allocation for capitalized labor and overhead. The Company routinely evaluates the carrying value of inventories and provides reserves when appropriate to reduce inventories to the lower of cost or market to reflect estimated net realizable value. As of March 31, 2014, no inventory existed for the Company and, accordingly, no reserve has been recognized at March 31, 2014.

### **Revenue Recognition, Deferred Revenue and Change in Accounting Principle**

Net revenues include sales services. Services include consulting work performed by the Company. The Company recognizes revenue for these services when it is realized or realizable and earned. Revenue is considered realized and earned when: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred and/or services have been rendered; (iii) the price is fixed and determinable; and (iv) collection of the resulting receivable is reasonably assured.

### **Financial Instruments**

We believe the book value of our current assets and liabilities approximate their fair values due to their short term nature.

### **Contingencies**

The Company had no contingencies existing as of 09/30/2014.

**NEURO HITECH, INC.**  
**UNAUDITED**  
**Balance Sheet**  
**AS OF 9/30/2014**

	<u><b>9/30/2014</b></u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	320
Total Checking/Savings	<u>320</u>
Accounts Receivable	
Accounts Receivable	(383,399)
Total Accounts Receivable	<u>(383,399)</u>
Total Accounts Receivable	(383,399)
Other Current Assets	
Notes Receivable	157,396
Loan Receivable-Officer	10,000
Inventory Asset	
Product	156,257
Inventory Asset - Other	-
Total Inventory Asset	<u>156,257</u>
Undeposited Funds	123
Total Other Current Assets	<u>156,380</u>
Total Current Assets	(59,303)
Other Assets	
Other Current Assets	237,779
Total Other Assets	<u>237,779</u>
<b>TOTAL ASSETS</b>	<u><b>178,476</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	72,864
Total Accounts Payable	72,864
Other Current Liabilities	202,185
Total Other Current Liabilities	<u>202,185</u>
Total Current Liabilities	275,049
Long Term Liabilities	698,147
Total Long Term Liabilities	<u>895,082</u>
Total Liabilities	973,196
<b>Equity</b>	
1,536,408,099 COMMON STOCK ISSUED	
Investment from Parent Company	3,289,984
NET LIABILITIES ASSUMES	4,379
Retained Earnings	(4,089,083)
Total Equity	<u>(794,720)</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>178,476</b></u>

## UNAUDITED

## Profit &amp; Loss

AS OF 9/30/2014

	<u>9/30/2014</u>
Ordinary Income/Expense	
Income	
Sales	(179,847)
Sales Discounts	
Total Income	<u>(179,847)</u>
Cost of Goods Sold	
Cost of Goods Sold	
COG - Product	1,169
COG - Samples	
Cost of Goods Sold - Other	
Total Cost of Goods Sold	<u>1,169</u>
Gross Profit	(181,017)
Expense	
Oil Field Operating Expenses	207,495
Bank Service Charges	182
Cash Discounts	(1,809)
Delivery/Freight	404
Interest Expense	2,293
Late fee	127
Payroll Service	80
Penalties	1,113
Legal Fees	4,170
Professional Fees - Other	6,235
Rebates	2,489
Equipment Repair/Maint	166
Taxes	5,432
Miscellaneous	57,203
Total Expenses	<u>285,581</u>
Net Income	<u>(466,598)</u>