

# **Airborne Security & Protective Services, Inc.**

Financial Statements  
for the Nine Months Ended June 30, 2011  
(Unaudited)

# Airborne Security & Protective Services, Inc.

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**Airborne Security Protective Services, Inc.**

**Balance Sheet**

As of June 30, 2011

(unaudited)

|                                       | <u>June 30, 11</u>    | <u>Sept 30, 10</u>    |
|---------------------------------------|-----------------------|-----------------------|
| <b>ASSETS</b>                         |                       |                       |
| <b>Current Assets</b>                 |                       |                       |
| Checking/Savings                      | 6,295                 | 3,261                 |
| <b>Total Checking/Savings</b>         | <u>6,295</u>          | <u>3,261</u>          |
| Accounts Receivable                   | 122,913               | 48,571                |
| Other Current Assets                  | <u>0</u>              | <u>36,600</u>         |
| <b>Total Current Assets</b>           | 129,208               | 88,432                |
| <b>Fixed Assets</b>                   |                       |                       |
| Property and Equipment                | 26,000                | 20,703                |
| Other Fixed Assets                    | <u>0</u>              | <u>0</u>              |
| <b>Total Fixed Assets</b>             | <u>26,000</u>         | <u>20,703</u>         |
| <b>Total Other Assets</b>             | <u>0</u>              | <u>0</u>              |
| <b>TOTAL ASSETS</b>                   | <u><b>155,208</b></u> | <u><b>109,135</b></u> |
| <b>LIABILITIES &amp; EQUITY</b>       |                       |                       |
| <b>Liabilities</b>                    |                       |                       |
| <b>Current Liabilities</b>            |                       |                       |
| Accrued Payables                      | 293,789               | 199,790               |
| Taxes Payable                         | 264,000               | 280,000               |
| <b>Total Current Liabilities</b>      | <u>557,789</u>        | <u>479,790</u>        |
| <b>Long Term Liabilities</b>          |                       |                       |
| Accrued Officer Compensation          | 199,513               | 0                     |
| Notes Payable                         | 815,024               | 1,065,205             |
| <b>Total Long Term Liabilities</b>    | <u>1,014,537</u>      | <u>1,065,205</u>      |
| <b>Total Liabilities</b>              | <u>1,572,326</u>      | <u>1,544,995</u>      |
| <b>Equity</b>                         |                       |                       |
| <b>Capital Stock</b>                  |                       |                       |
| Series A Preferred Stock              | 0                     | 0                     |
| Series B Preferred Stock              | 1                     | 1                     |
| Commn Stock, 230,680,300              | 230,680               | 204,081               |
| Additional Paid-In Capital            | 4,131,420             | 4,131,420             |
| Retained Earnings                     | (5,771,361)           | (5,771,361)           |
| Adjustments to Equity                 | (28,552)              | (1)                   |
| Net Income                            | <u>20,694</u>         | <u>0</u>              |
| <b>Total Equity</b>                   | <u>(1,417,118)</u>    | <u>(1,435,860)</u>    |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <u><b>155,208</b></u> | <u><b>109,135</b></u> |

# Airborne Security Protective Services, Inc.

## Profit Loss

October 2010 through June 2011 and 2010

(Unaudited)

|                                          | <b>6 Months</b>        | <b>3 Months</b>      | <b>9 Months</b>      | <b>12 Months</b>           |
|------------------------------------------|------------------------|----------------------|----------------------|----------------------------|
|                                          | <b>Ended March 11</b>  | <b>Ended June 11</b> | <b>Ended June 11</b> | <b>Ended Sept 30, 2010</b> |
| <b>Revenues</b>                          | 1,374,580              | 538,242              | 1,912,822            | 737,827                    |
| <b>Royalties and restaurant revenues</b> | 0                      | 0                    | 0                    | 92,992                     |
| <b>Gross Profit</b>                      | <u>1,374,580</u>       | <u>538,242</u>       | <u>1,912,822</u>     | <u>830,819</u>             |
| <b>Ordinary Income/Expense</b>           |                        |                      |                      |                            |
| <b>Expense</b>                           |                        |                      |                      |                            |
| <b>Wages &amp; Salaries</b>              | 805,828                | 350,372              | 1,156,200            | 551,091                    |
| <b>General and Administrative</b>        | 599,158                | 123,270              | 722,428              | 687,320                    |
| <b>Stock Compensation</b>                | 0                      | 0                    | 0                    | 1,399,870                  |
| <b>Total Expense</b>                     | <u>1,404,986</u>       | <u>473,642</u>       | <u>1,878,628</u>     | <u>2,638,281</u>           |
| <b>Operating Income (Loss)</b>           | <u>(30,406)</u>        | <u>64,600</u>        | <u>34,194</u>        | <u>(1,807,462)</u>         |
| <b>Other Income/Expense</b>              |                        |                      |                      |                            |
| <b>Interest</b>                          | 9,000                  | 4,500                | 13,500               | 225,849                    |
| <b>Net Income (Loss) before Taxes</b>    | <u>(39,406)</u>        | <u>60,100</u>        | <u>20,694</u>        | <u>(2,033,311)</u>         |
| <b>Income Taxes</b>                      | 0                      | 0                    | 0                    | 0                          |
| <b>Net Income</b>                        | <u><u>(39,406)</u></u> | <u><u>60,100</u></u> | <u><u>20,694</u></u> | <u><u>(2,033,311)</u></u>  |

**AIRBORNE SECURITY & PROTECTIVE SERVICES, INC.**  
**STATEMENT OF STOCKHOLDERS EQUITY (DEFICIT)**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2011**  
**(Unaudited)**

|                                         | <u>Common Stock</u> |                   | <u>Preferred Stock</u> |               | <u>Paid-in<br/>Capital</u> | <u>Accumulated<br/>Deficit</u> | <u>Unearned<br/>Services</u> | <u>Profit<br/>(Loss)</u> | <u>Total<br/>Equity</u> |
|-----------------------------------------|---------------------|-------------------|------------------------|---------------|----------------------------|--------------------------------|------------------------------|--------------------------|-------------------------|
|                                         | <u>Shares</u>       | <u>Amount</u>     | <u>Shares</u>          | <u>Amount</u> |                            |                                |                              |                          |                         |
| Balance, September 30, 2010 (unaudited) | 204,080,300         | \$ 204,081        | 1                      | \$ -          | \$ 4,131,420               | \$ (5,771,361)                 | \$                           |                          | \$ (1,435,860)          |
| Issuances of Common Stock               | 20,600,000          | 20,600            |                        |               |                            |                                |                              |                          | 20,600                  |
| Shares issued from debt conversions     | 6,000,000           | 6,000             |                        |               |                            |                                |                              |                          |                         |
| Adjustments to Equity                   |                     |                   |                        |               |                            | (28,552)                       |                              |                          | (28,552)                |
| Net Profit (Loss)                       |                     |                   |                        |               |                            |                                |                              | 20,694                   | 20,694                  |
| Balance, June 30, 2011 (unaudited)      | <u>230,680,300</u>  | <u>\$ 230,681</u> | <u>0</u>               | <u>\$ 0</u>   | <u>\$ 4,131,420</u>        | <u>\$ (5,799,913)</u>          | <u>\$ 0</u>                  | <u>\$ 20,694</u>         | <u>\$ (1,417,118)</u>   |

**Airborne Security Protective Services, Inc.**  
**Statement of Cash Flows**

October 2010 through  
June 2011 and 2010  
(Unaudited)

|                                                                            | October 2010 through<br>June 2011 | 2010        |
|----------------------------------------------------------------------------|-----------------------------------|-------------|
| <b>OPERATING ACTIVITIES</b>                                                |                                   |             |
| Net Income                                                                 | 20,694                            | (2,033,311) |
| Adjustments to reconcile Net Income<br>to net cash provided by operations: |                                   |             |
| Accounts payable and Accrued Expenses                                      | 161,218                           | 260,578     |
| Accounts Receivable                                                        | (122,913)                         | (48,571)    |
| Due to Noteholders                                                         | (250,181)                         | 0           |
| Stock Compensation                                                         | 0                                 | 1,399,870   |
| Acquisition Adjustments                                                    | 0                                 | 257,884     |
| Net cash provided by Operating Activities                                  | (191,182)                         | (163,550)   |
| <b>INVESTING ACTIVITIES</b>                                                |                                   |             |
| Purchase of Fixed Assets                                                   | (5,297)                           | (20,703)    |
| Net cash used by Investing Activities                                      | (5,297)                           | (20,703)    |
| <b>FINANCING ACTIVITIES</b>                                                |                                   |             |
| Investor/Officer Loans                                                     | 199,513                           | 170,000     |
| Capital Stock                                                              | 0                                 | 1,000       |
| Net cash provided by Financing Activities                                  | 199,513                           | 171,000     |
| Net cash increase for period                                               | 3,034                             | (13,253)    |
| Cash at beginning of period                                                | 3,261                             | 16,514      |
| Cash at end of period                                                      | 6,295                             | 3,261       |

AIRBORNE SECURITY & PROTECTIVE SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011  
(UNAUDITED)

NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS

Airborne Security & Protective Services, Inc., formerly Quality Restaurant Ventures, Inc. (the "Company") was incorporated in the State of Florida in 1996. The Company provides professional armed and unarmed security services to commercial and residential properties and companies.

NOTE 2 – BASIS OF PRESENTATION AND CONSIDERATIONS RELATED TO CONTINUED EXISTENCE

The significant accounting policies of the Company are as follows:

Accounting Method

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("USGAAP"); however, they do not include all of the information and footnotes required by USGAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. For the nine months ended June 30, 2011, the Company had net income of \$20,694, and in the year ended September 30, 2010, it had an accumulated shareholders deficit of \$1,435,860. The Company's ability to continue as a going concern remains dependent upon its ability to achieve sustainable profitability. Since inception, the Company has substantially financed its activities through various financing activities. The Company intends on financing its future development activities and its working capital needs largely with similar financing sources, including term notes, until such time that funds provided by operations are sufficient to fund its working capital requirements. The financial statements of the Company do not include any adjustments for the recoverability and classification of recorded assets, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Non-Cash Transactions

No non-cash investing and financing activities occurred during the nine months ended June 30, 2011.

Accounts Receivable

The Company considers accounts receivable to be fully collectible, and accordingly, no allowance for doubtful accounts is required. If amounts should become uncollectable, they will be charged to operations when that determination is made.

AIRBORNE SECURITY & PROTECTIVE SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011  
(UNAUDITED)

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 reported

amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are recorded at cost. Maintenance and repairs are charged to operations as incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and the related accumulated depreciation accounts are relieved, and any gain or loss is included in operations.

Depreciation is calculated by the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

Revenue is recognized monthly as earned.

Income Taxes

The Company files and pays its taxes based on yearly profits. There are no deferred taxes.

NOTE 3 - RESTATEMENT OF SEPTEMBER 30, 2010 FINANCIAL STATEMENTS

The September 30, 2010 financial statements previously presented for that period were in error. The total amount of convertible notes payable on the Company's balance sheet was incorrectly reported, which herein appears as restated for this period as \$1,065,205, including principal and accrued and unpaid interest. This restatement of the amounts due under the convertible notes payable includes a reduction in such debt of a lump sum of \$200,000 per the terms and conditions of the September 1, 2010 split-off of Sobik's Corporation, a former subsidiary of the Company, wherein it was sold to former shareholders of Quality Restaurant Ventures, Inc. Also, the previously reported "Note 4 – Debt" of the Notes to the September 30, 2010 Financial Statements incorrectly stated that \$1,099,131 of outstanding convertible debt and interest were converted into 29,971,033 share of its common stock in connection with the split off of Sobik's Corporation; such conversions were not a part of the final agreement and consequently such conversions did not occur. As a result of these corrections, the equity section of the balance sheet has been modified to conform to a GAAP presentation.