

**XCPCNL Business Services
Consolidated Balance Sheet**

Quarter Ended September 30, 2017

	<u>September 30,</u> <u>2017</u>
Assets	
Current Assets:	
Cash	\$ 314,327
Accounts and Notes Receivable	<u>993,939</u>
Total Current Assets	<u>1,308,266</u>
Other Assets	
Fixed Assets	362,264
Goodwill	273,384
Intellectual Property	<u>600,000</u>
	<u>1,235,648</u>
Total Assets	<u>2,543,914</u>
Liabilities	
Current Liabilities	
Accounts Payable	\$283,956
Notes Payable	<u>663,134</u>
Total Current Liabilities	<u>947,090</u>
Notes Payable - Third Party, including accrued interest of \$36,863 and \$0, respectively	<u>350,452</u>
Total Liabilities	1,297,542
Equity	
Preferred Stock, Par value \$.001 per share	\$2
100,000 Shares Authorized	
1,625 Issued and Outstanding, respectively	
Common Stock, Par value \$.0001 per share	2500
250,000,000 Shares Authorized	
20,697,583 Issued and Outstanding, respectively	
Additional Paid in Capital	999,849
Retained Earnings	<u>494,902</u>
Total Equity	<u>1,497,253</u>
Total Liabilities and Equity	<u>\$ 2,794,795</u>

XCPCNL Business Services

Consolidated Income Sheet

Quarter Ended September 30, 2017

September 30,
2017

Revenue	\$ 2,421,222
Cost	<u>2,023,719</u>
Gross Profit	397,503
 Selling General & Administrative	
Expenses	<u>328,774</u>
Operating Income	68,729
Other Income (Expense)	
Interest Expense	<u>56,304</u>
Net Income Before Taxes	12,425
Provision for Income Taxes	<u>-</u>
Net Income	<u>\$ 12,425</u>

XCPCNL Business Services

Cash Flow

Quarter Ended September 30, 2017

September 30,
2017

Operating Activities:

Net Income 12,425

Adjustments to reconcile net income to net cash in operating activities:

Depreciation 6,683

Change in Operating Assets and Liabilities: 6,677

Accounts and Notes Receivable 99,099

Accounts Payable 75,417

Notes Payable 35,408

18,403

Net Cash Provided by Operations **30,828**

Financing Activities:

Net Aquisition Increase in Other Assets
with Common Stock -

Increase {Decrease} in Cash 30,828

Cash - at beginning of year 283,499

Cash - at end of year **\$ 314,327**

XCPCNL BUSINESS SERVICES CORP.

Notes to Consolidated Financial Statements

September 30, 2017

NOTE 1 – Description of Business, Basis of Presentation and Summary of Significant Accounting Policies

Description of Business – XCPCNL Business Services Corp. (the “Company” or “XCPL”), formerly Vital Products, Inc., a Delaware corporation formed on May 27, 2005, is a Holding company headquartered in Dallas, Texas. The Company seeks to acquire businesses with high growth potential in diverse industries to multiply rates of return through synergism and consolidating management and accounting information systems.

Recapitalization and Reorganization – On April 6, 2017, the Company’s Board and the Majority Shareholders approved an amendment to the Company’s Certificate of Incorporation, as amended, to affect a reverse stock split of the issued and outstanding shares of the Company’s common stock, par value \$ 0.0001, on a 1 for 5,000 basis (the “Reverse Stock Split”). The reverse Stock Split was declared effective by the Financial Industry Regulatory Authority on May 2, 2017 (the “Effective Date”). On the Effective Date, each holder of the Company’s common stock received 1 share of common stock for each 5,000 shares of common stock owned immediately prior to the Reverse Stock Split. The Company did not issue fractional shares in connection with the Reverse Stock Split. Fractional shares were rounded up to the nearest whole share.

During the year ended June 30, 2017, the Company and Combined USA Corporation (dba XCPCNL Business Corp) (“XCPCNL”) enter into a share exchange agreement whereby 100 % of the issued and outstanding shares of common stock of XCPCNL were exchanged for 20,500,000 shares of common stock of the company.

On July 12, 2017, Vital Products, Inc. changed its name to XCPCNL Business Services Corp.

Basis of Consolidation – The consolidated financial statements include 100% of the assets, liabilities, revenues, expenses, and cash flows of the XCPCNL Business Services Corp. All intercompany accounts and transactions have been eliminated in consolidation. The results of subsidiaries acquired during the respective periods are included in the consolidated statements of operations from the effective date of the acquisition.

Use of Estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes thereto. Actual results could differ from those estimates. Significant estimates inherent in the preparation of the accompanying consolidated financial statements include accounting for depreciation and amortization, valuation of goodwill and other intangibles, business combinations, equity transactions, and contingencies.

XCPCNL BUSINESS SERVICES CORP.

Notes to Consolidated Financial Statements (Continued)

September 30, 2017

NOTE 1 – Description of Business, Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Cash – The Company considers all highly liquid accounts with an original maturity date of three months or less to be cash equivalents. The Company maintains bank accounts in US banks which, at times, may exceed federally insured limits. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant risk on bank deposit accounts.

Net Income (Loss) per Share – The Company follows the guidelines of Statement of Financial Accounting Standards No. 128, "*Earnings per share*" ("SFAS No. 128") in calculating its loss per share. SFAS No. 128 states basic and diluted earnings per share are based on the weighted average number of common shares and equivalent common shares outstanding during the period. Common stock equivalents for purposes of determining diluted earnings per share include the effects of dilutive stock options, warrants and convertible securities. The effect on the number of shares of such potential common stock equivalents is computed using the treasury stock method or the if-converted method, as applicable. The Company has no outstanding stock options and warrants.

Income Taxes – The Company recognizes deferred tax assets and liabilities for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. 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. Under SFAS 109, 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. If it is more likely than not that some portion of a deferred tax asset will not be realized, a valuation allowance is recognized.

NOTE 2 – Other Assets

	<u>09/30/17</u>
Office Equipment	\$ 3,196
Software	385,000
Accumulated Depreciation	<u>25,932</u>
	<u>\$ 362,264</u>
Goodwill is the excess of cost of net assets acquired with a subsidiary	<u>\$ 273,384</u>
Intellectual property consists of trade secrets and business practices	<u>\$ 600,000</u>

XCPCNL BUSINESS SERVICES CORP.

Notes to Consolidated Financial Statements (Continued)

September 30, 2017

NOTE 3 – Notes Payable

The Company's notes payable to financial institutions and third parties consist of the following as of September 30, 2017:

	<u>09/30/17</u>
Notes Payable to a Third Party	\$ 350,452
Notes Payable to Financial Institutions	663,164
Less Short Term Debt	<u>663,164</u>
Total Long Term Debt	<u>\$ 350,452</u>

The maturities of the notes payable are all in 2018.