

ANNUAL REPORT



We put **YOUR** brand in peoples hands

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Letter to Stockholder

Empire Promotions and Advertising, now ending its first year of operation, has seen some of the most profitable months in terms of gross revenue in its company history during the 2015-2016 fiscal years. As a promotions and advertising company, we strive to provide our clients with the highest quality products and services at the lowest cost. This year, executives at Empire decided to narrow our target market to focus on startup companies primarily, sole proprietorships. We are also in the development stages of refining our product line and services to fit the specific needs of our customers.

Unfortunately, due to high operating expenses (\$1,395,625.47) this fiscal year, Empire was unable to project for a profitable year. Although our projected business contract sales were significantly lower than anticipated, this was countered by earning \$62,396.66 more through trade show revenues than originally projected. Empire is currently ending the first year with total sales revenue of \$913,097.91 of which has allowed for a gross profit of \$458,743.44. Also, Empire is ending the fiscal year facing no severe liquidity problems.

Empire's future looks bright and optimistic. Our future plans include expansion into production facilities to produce our promotional products in house. To move to this next level we are looking for support of venture capitalist totaling \$250,000.

Despite the challenges, Empire has been able to position itself strongly on the market. Our specific line of products provide us a business strength. As the only promotions and advertising company in the city, we have a 100% hold on the market. The need for advertising resources has increased on the VE website, and we plan to use this to our advantage as a certified VE vendor. Due to low entry in this industry, VE competitors may attempt to mimic our strategies, as well as begin to offer similar products as ours. However, because of our current presence and strong connection with customers, we believe we could keep any competition at bay.

Empire is excellently positioned in the VE Network, and we are looking forward to a profitable future serving our customers.



Corporate Message

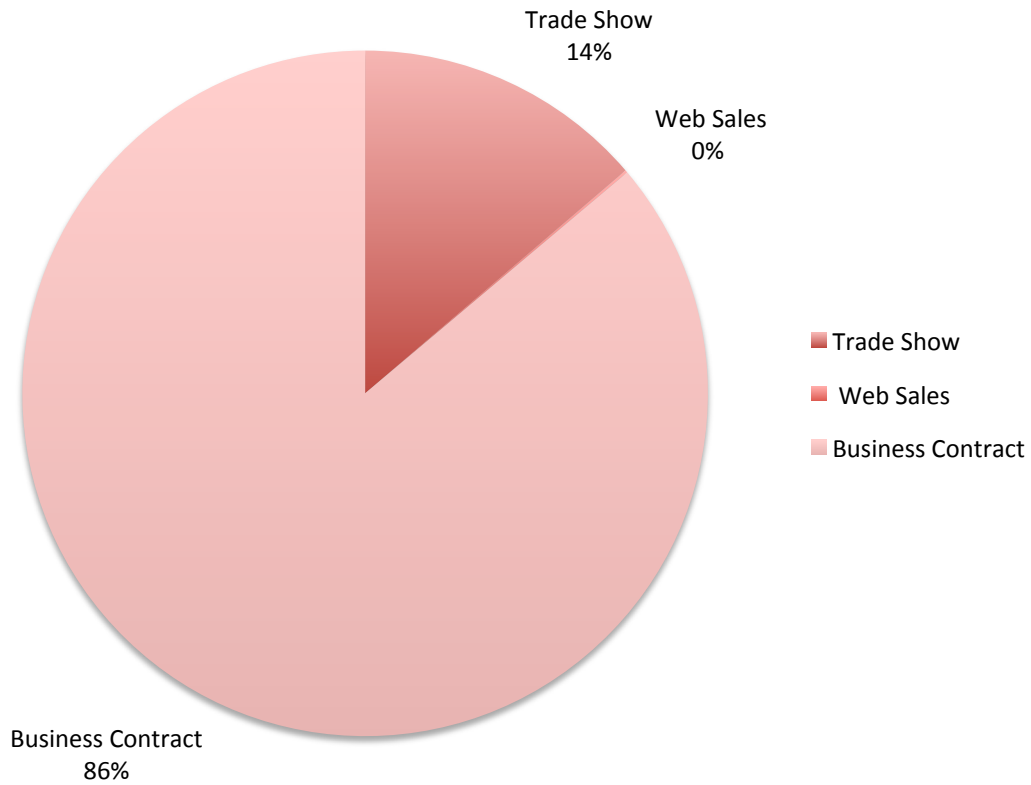
Empire Promotions and Advertising, is a company that provides promotional products and services for businesses in need. Our products and services consist of advertising ads, social media, web design, clothing your brand and promotional items. We target a market of about 28 million small businesses that need promoting and advertising, we have a wide variety of products, our target market is non-gender specific and our geographical location is a non-hindering factor. We make our products and services available to consumers throughout the world through our networks and trade shows we are a marketing based company. The company is owned by three co-owners, the Chief Executive Officer, Chief Operations Officer and the Chief Financial Officer we were incorporated in September 2015. We believe our success depends on our ability to connect with consumers by providing them with a wide variety of options to meet their desires, needs and lifestyles. Our success further depends on the ability of our people to execute effectively, every day. Our goal is to use our Company's assets — our brands, financial strength, unrivaled distribution system, global reach, and the talent and strong commitment of our management and associates — to become more competitive and to accelerate growth in a manner that creates value for our shareowners.



Sales Highlights

	Trade Show	Web Sales	Business Contract	Over All
January	\$8,395.79	\$14.46	\$162,138.98	\$103,616.38
February	\$54,825.76	\$340.69	\$162,138.98	\$918.42
March	\$12,832.51	\$108.54	\$162,135.10	\$650,159.70
April	\$27,562.32	\$454.73	\$163,746.64	\$164,201.37
Total	\$103,616.38	\$918.42	\$650,159.70	\$754,694.50

Yearly Sales Percentages



Balance Sheet

FOR THE YEAR ENDING 4/30/2016

ASSETS

	Projected	Actual	Increase/Decrease from Projected	% Increase/Decrease from Projected
Current Assests				
Cash	\$328,457.00	\$362,269.00	\$33,812.00	9.33%
Investment in Stocks	\$0.00	\$0.00	\$0.00	0.00%
Accounts Receivable	\$78,543.00	\$966,319.46	\$887,776.46	91.87%
Merchadise Inventory	\$2,000.00	\$0.00	\$2,000.00	100.00%
Supplies	\$560.00	\$440.00	-\$120.00	-27.27%
Total Current Assets	\$409,000.00	\$1,329,028.46	\$923,468.46	173.93%
Fixed Assests				
Computers	\$35,627.41	\$35,627.41	\$0.00	0.00%
Less: Accumulated Depreciation	\$2,273.88	\$2,273.88	\$0.00	0.00%
Furniture & Fixtures	\$19,399.00	\$19,399.00	\$0.00	0.00%
Less: Accumulated Depreciation	\$2,327.88	\$2,327.88	\$0.00	0.00%
Office Equipment	\$14,156.58	\$14,156.58	\$0.00	0.00%
Less: Accumulated Depreciation	\$2,831.00	\$2,831.00	\$0.00	0.00%
Total Fixed Assets	\$76,615.75	\$76,615.75	\$0.00	0.00%

LIABILITIES

Current Liabilities				
Accounts Payable	\$1,000.00	\$68,942.82	-\$67,942.82	-98.55%
Sales Tax Payable	\$7,000.00	\$6,232.78	\$767.22	12.31%
Salaries Payable	\$0.00	\$0.00	\$0.00	0.00%
Payroll Tax Payable	\$161,777.82	\$191,510.00	-\$29,732.18	-15.53%
401 K Payable	\$0.00	\$0.00	\$0.00	0.00%
Other Payable	\$0.00	\$0.00	\$0.00	0.00%
Corporate Tax Payable	\$205,561.00	\$273,929.00	-\$68,368.00	-24.96%
Total Current Liabilities	\$375,338.82	\$540,614.60	-\$165,275.78	-126.72%
Long Term Liabilities				
Loan Payable	\$7,322.98	\$7,322.98	\$0.00	0.00%
Total Long Term Liabilities	\$7,322.98	\$7,322.98	\$0.00	0.00%

STOCK HOLDERS EQUITY

Paid-in Captial	\$424,926.88	\$424,926.88	\$0.00	0.00%
Common Stock	\$35,000.00	\$424,926.88	\$389,926.88	91.76%
Additional Paid in Capitial	\$0.00	\$0.00	\$0.00	0.00%
In excess of par value	\$0.00	\$0.00	\$0.00	0.00%
Retained earnings	-\$264,995.67	\$1,233,046.00	-\$1,498,041.67	-121.49%
Total Stockholders Equity	\$194,931.21	\$2,082,899.76	-\$1,108,114.79	-29.73%
Total Liabilities & Stockholders Equity	\$577,593.01	\$2,630,837.34	-\$1,273,390.57	-156.45%



Income Statement

FOR THE YEAR ENDING 4/30/2016

	Projected	Actual	Increase/Decrease from Projected	% Increase/Decrease from Projected
Sales Revenue				
Trade Shows	\$ 40,000.00	\$ 102,396.66	\$ -62,396.66	-60.94%
Business Contract	\$ 1,182,535.00	\$ 810,701.25	\$ 371,833.75	45.87%
Non-Trade Show Revenues	\$ -	\$ -	\$ -	0%
Total Sales Revenue	\$ 1,222,535.00	\$ 913,097.91	\$ 309,437.09	-15.07%
Cost of Goods Sold	\$ 537,332.09	\$ 454,354.47	\$ 82,977.62	18.26%
Gross Profit	\$ 685,202.91	\$ 458,743.44	\$ 226,459.47	-33.33%
Operating Expenses				
Salaries	\$ 740,876.50	\$ 1,138,992.50	\$ -398,116.00	-34.95%
Rent	\$ 7,950.00	\$ 7,950.00	\$ -	0.00%
Depreciation	\$ 3,942.00	\$ 3,942.00	\$ -	0.00%
Payroll Tax	\$ 161,777.80	\$ 191,510.00	\$ -29,732.20	-15.53%
Advertising	\$ 2,000.00	\$ 2,000.00	\$ -	0.00%
Promotion	\$ 2,000.00	\$ 6,000.00	\$ -4,000.00	-66.67%
Insurance	\$ 1,069.67	\$ 1,069.67	\$ -	0.00%
Pension (401 k)	\$ -	\$ -	\$ -	0.00%
Interest	\$ 246.70	\$ 246.70	\$ -	0.00%
Supplies	\$ 560.00	\$ 465.00	\$ 95.00	20.43%
Utilities	\$ 38,484.00	\$ 41,049.60	\$ -2,565.60	-6.25%
Accounting/Legal Fees	\$ 600.00	\$ 600.00	\$ -	0.00%
Trade Fair Registration	\$ 1,800.00	\$ 1,800.00	\$ -	0.00%
Total Operating Costs	\$ 961,306.67	\$ 1,395,625.47	\$ -434,318.80	-102.97%
INCOME FROM OPERATIONS				
Other gains	\$ -	\$ -	\$ -	0%
Net Income before taxes	\$ 685,202.91	\$ 913,097.91	\$ -227,895.00	-24.96%
Corporate Income Tax	\$ 205,560.87	\$ 273,929.37	\$ -68,368.50	-24.96%
Net Income After Taxes	\$ -264,995.67	\$ 1,187,027.28	\$ -296,263.50	-49.92%



Cash Budget

FOR THE YEAR ENDING 4/30/2016

	Projected	Actual	Increase/Decrease from	% Increase/Decrease
Cash Balance at Beginning of Period				
Sales	\$ 1,222,535.00	\$ 741,180.00	\$ 481,355.00	64.94%
Receipts from Accounts Receivable	\$ 678,596.00	\$ 966,319.44	\$ -287,723.44	-29.78%
Loan Proceeds	\$ 61,200.00	\$ 61,200.00	\$ -	0.00%
Other	\$ -	\$ -	\$ -	0.00%
Total Receipts	\$ 1,962,331.00	\$ 1,768,699.44	\$ 193,631.56	35.17%
Beginning Balance & Cash Receipts	\$ 424,926.88	\$ 424,926.88	\$ -	0.00%
Gross Profit	\$ 131,228.91	\$ 458,743.44	\$ -327,514.53	-71.39%
Payments				
Accounting/Legal Fees	\$ 500.00	\$ 500.00	\$ -	0.00%
Advertising/Promotion	\$ 4,000.00	\$ 8,000.00	\$ -4,000.00	-50.00%
Corporate Tax	\$ 200,568.00	\$ 913,097.91	\$ -712,529.91	-78.03%
Cost of Merchandise	\$ 537,332.09	\$ 454,354.80	\$ 82,977.29	18.26%
Insurance	\$ 6,418.02	\$ 6,418.02	\$ -	0.00%
Loan (principal + interest)	\$ 61,446.70	\$ 61,446.70	\$ -	0.00%
Loan Payment	\$ 1,046.14	\$ 1,046.14	\$ -	0.00%
Payroll Tax	\$ 190,000.00	\$ 191,510.00	\$ -1,510.00	-0.79%
Pension -Profit Sharing or (401 k)	\$ -	\$ -	\$ -	0.00%
Rent	\$ 7,950.00	\$ 7,950.00	\$ -	0.00%
Salaries	\$ 648,561.00	\$ 759,998.60	\$ -111,437.60	-14.66%
Sales Tax	\$ 7,500.00	\$ 6,232.78	\$ 1,267.22	20.33%
Shipping	\$ 7,500.00	\$ 7,468.77	\$ 31.23	0.42%
Supplies	\$ 560.00	\$ 465.00	\$ 95.00	20.43%
Trade Show Registration	\$ 1,400.00	\$ 1,400.00	\$ -	0.00%
Utilities	\$ 6,414.00	\$ 6,414.00	\$ -	0.00%
Total Payments	\$ 1,681,195.95	\$ 2,426,302.72	\$ -745,106.77	-84.04%
Cash Balance at End of Period	\$ 400,000.00	\$ 357,902.48	\$ 42,097.52	11.76%
Net Increase/Decrease in Cash	\$ -1,281,195.95	\$ -2,068,400.24	\$ 787,204.29	-38.06%



Company Organization Chart



Linbert Castelan
Chief Operations Officer



Sandra Guterrez
Chief Executive Officer



Karla Escobedo
Chief Financial Officer

Vice Presidents



Jessica Cortez
Arts & Publications



Eden Cruz
Sales



Cindy Chavarin
Marketing



Briana Ochoa
Communications



Melissa Avila
Digital Media



Andrea Valdes
Human Resources

Accounting Department



Tiffany Rojo
Accounting Associate



Naidelyn Limones
Accounting Associate



Jesus Avila
Accounting Associate



Jacqueline Lucero
Accounting Associate





Esmeralda Laredo
Arts Associate



Anthony Ornelas
Sales Associate



Christina Barraza
Marketing Associate



Erica Rodriguez

Communications Associate



Daniel Arreola
Human Resources Associate



Maria Lucero
Arts Associate



Jaleane Suarez
Sales Associate



Arlene Perez
Marketing Associate



Esmeralda Ibarra
Communication Associate



David Chareunsap
Human Resources Associate



Saira Saldana
Art Associate



Alyssa Medrano
Sales Associate



Nathalie Leon
Marketing Associate



Alexandra Aruajo
Communication Associate



Jessica Melena
Human Resources Associate



Natalie Carpio
Administrative Associate



Angela Mendez
Sales Associate



Jennifer Lucero
Communication Associate



Business Contract

CONTRACT FOR THE PURCHASE AND SUPPLY OF GOODS

This Deed of Agreement is entered into as of the Effective Date identified below.

BETWEEN Empire Promotions and Advertisings of Santa Ana, California. To be known as Empire in this Agreement AND: Wal-Mart Corporation of Bentonville, Arkansas. To be known as Wal-Mart Corporation in this agreement.

WHEREAS: Empire desires to enter into an agreement to supply Wal-Mart with Clothing for their Employees such as polo shirts and t-shirt. To be known as Employee Uniforms In this Agreement.

NOW IT IS HEREBY AGREED: That Empire and Wal-Mart shall enter into an agreement subject to the following terms and conditions:

1. Definitions and Interpretations

1.1 Price, will only be in dollars of the United States of America unless otherwise stated.

1.2 This agreement shall be governed by United States law, and the parties hereby agree to submit to the jurisdiction of the Courts of the United States with respect to this agreement.

2. Commencement and Completion

The commencement date is scheduled as December 1, 2015. The completion date is scheduled as April 30, 2016. The schedule may be modified by agreement as defined in Section 9. Effective date of this agreement: The twenty-sixth day of November 2012

Gregory Marzilli
Vice President of New Employee Training
702 SW 8th St.
Bentonville, AR 72716

Eden Cruz
Vice President of Sales
1401 S. Grand Avenue
Santa Ana, CA 92705

3. Purchase Orders

3.1 Wal-Mart Corporation shall follow the Empire's price lists.

3.2 Wal-Mart Corporation shall present Empire with a purchase order for the provision of Employee Uniform within 7 days of the commencement date.

3.3 The purchase order shall nominate the method of delivery as defined in Section 4.

3.4 Purchase orders are to be sent electronically, and are to be interpreted under standards and guidelines outlined in Supplement A.

3.5 When complications occur with purchasing orders or other event your direct contact will be Eden Cruz, Vice President of Sale.

4. Delivery

4.1 The Wal-Mart Corporation shall arrange for delivery to be made according to one of the following terms: (a) The shipping and insurance of the Employee Uniforms shall be the sole responsibility of and entirely at the expense of Wal-Mart Corporation. (b) The shipping and insurance of the Employee Uniforms shall be the responsibility of Empire. Wal-Mart Corporation shall provide Empire at least 7 days notice and pay the carriage and insurance costs from the Empire delivery price list.



5. Payment

5.1 The payment terms shall be in full upon receipt of invoice. Interest shall be charged at [percentage] on accounts not paid within 14 days of the invoice date. The prices shall be as stated in the sales order unless otherwise agreed in writing by Empire.

5.2 Payments are to be sent electronically, and are to be performed under standards and guidelines outlined in Supplement B.

6. Rejection

6.1 If the electronic devices and accessories do not comply with the Order or Empire does not comply with any of the conditions, then the Wal-Mart Corporation shall at its sole discretion be entitled to reject the Employee Uniforms and the Order. Wal-Mart Corporation shall return the rejected Employee Uniforms to the Empire at the Corporation risk and expense or notify Empire to collect the Employee Uniforms Empire may use its discretion to replace the Employee Uniforms according to the invoice or refund of the money that is paid.

7. Termination

7.1 If Wal-Mart Corporation fails to carry out any of its obligations and duties under this agreement Empire may issue a notice specifying the breach and request that it be remedied within 14 days after receipt of such notice.

7.2 If Wal-Mart Corporation fails to provide adequate remedy within the specified 14 days the agreement may be terminated forthwith.

8. Disputes

8.1 Empire and Wal-Mart Corporation shall attempt to settle all disputes, claims or controversies arising under or in connection with the agreement through consultation and negotiations in good faith and a spirit of mutual cooperation.

8.2 This method of determination of any dispute is without prejudice to the right of any party to have the matter judicially determined by a United States Court of competent jurisdiction. Before reaching to this extent all dispute will be solved through mediation.

9. Amendment

9.1 This agreement may only be amended in writing signed by both parties.

SIGNATURES

In witness whereof Empire and Wal-Mart Corporation have caused this agreement to be entered into by their duty authorized representatives as of the effective date written below.

Eden Cruz, Vice President of Sales Date

Gregory Marzilli, VP of New Employee Training Date





EMPIRE
PROMOTIONS & ADVERTISING
1401 S. Grand Avenue Santa Ana, California