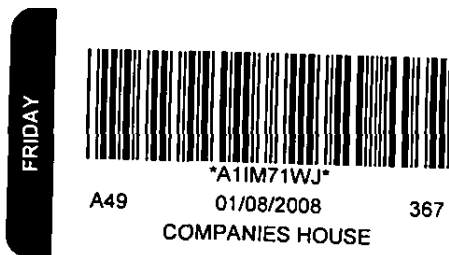


100118/30

Registered number: FC24862

**AGRELL ARCHITECTURAL CARVING LIMITED**

**Financial Statement of Accounts  
for the year ended 31 December 2007  
(stated in US\$)**



**PRESENTED BY:**

**SHARP ACCOUNTANCY LIMITED**

**34 Allenby Road Biggin Hill Kent TN16 3LH  
Telephone 01959 571343**

**Agrell Architectural Carving**  
**Balance Sheet**  
As of December 31, 2007

|                                        | <u>Dec 31, 07</u>       | <u>Dec 31, 06</u>       | <u>\$ Change</u>        |
|----------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                          |                         |                         |                         |
| <b>Current Assets</b>                  |                         |                         |                         |
| Checking/Savings                       |                         |                         |                         |
| UK Cash                                | 7,000 00                | -32,780 08              | 39,780 08               |
| Money Market Account                   | 29 67                   | 11,813 67               | -11,784 00              |
| Bank of Marin                          | 6,599 98                | 17,921 27               | -11,321 29              |
| Savings                                | -1 23                   | -1 23                   | 0 00                    |
| <b>Total Checking/Savings</b>          | <u>13,628 42</u>        | <u>-3,046 37</u>        | <u>16,674 79</u>        |
| <b>Total Current Assets</b>            | 13,628 42               | -3,046 37               | 16,674 79               |
| <b>Fixed Assets</b>                    |                         |                         |                         |
| Building-UK                            | 27,204 50               | 27,204 50               | 0 00                    |
| Storage facility                       | 910 89                  | 910 89                  | 0 00                    |
| Land-India                             | 6,926 00                | 6,926 00                | 0 00                    |
| Equipment - India                      | 2,784 69                | 2,784 69                | 0 00                    |
| Building - India                       | 5,977 00                | 5,977 00                | 0 00                    |
| Office equipment                       | 21,388 88               | 19,809 17               | 1,579 71                |
| Machinery & Equipment                  | 22,464 03               | 22,464 03               | 0 00                    |
| Furniture & fixtures                   | 9,953 24                | 9,953 24                | 0 00                    |
| Computer Equipment                     | 22,038 39               | 22,038 39               | 0 00                    |
| Carving tools >\$250                   | 17,835 34               | 17,835 34               | 0 00                    |
| Car                                    | 36,325 42               | 36,325 42               | 0 00                    |
| Fixed assets-Books                     | 300 00                  | 300 00                  | 0 00                    |
| Accumulated depreciation               | -107,644 67             | -107,644 67             | 0 00                    |
| <b>Total Fixed Assets</b>              | <u>66,463 71</u>        | <u>64,884 00</u>        | <u>1,579 71</u>         |
| <b>Other Assets</b>                    |                         |                         |                         |
| Organizational costs                   | 6,096 74                | 6,096 74                | 0 00                    |
| Accumulated amortization               | -4,128 00               | -4,128 00               | 0 00                    |
| <b>Total Other Assets</b>              | <u>1,968 74</u>         | <u>1,968 74</u>         | <u>0 00</u>             |
| <b>TOTAL ASSETS</b>                    | <u><b>82,060 87</b></u> | <u><b>63,806 37</b></u> | <u><b>18,254.50</b></u> |
| <b>LIABILITIES &amp; EQUITY</b>        |                         |                         |                         |
| <b>Liabilities</b>                     |                         |                         |                         |
| <b>Current Liabilities</b>             |                         |                         |                         |
| <b>Credit Cards</b>                    |                         |                         |                         |
| Visa                                   | 1,057 83                | 1,011 52                | 46 31                   |
| <b>Total Credit Cards</b>              | <u>1,057 83</u>         | <u>1,011 52</u>         | <u>46 31</u>            |
| <b>Other Current Liabilities</b>       |                         |                         |                         |
| Loan from shareholder                  | 1,500 00                | 0 00                    | 1,500 00                |
| <b>Total Other Current Liabilities</b> | <u>1,500 00</u>         | <u>0 00</u>             | <u>1,500 00</u>         |
| <b>Total Current Liabilities</b>       | <u>2,557 83</u>         | <u>1,011 52</u>         | <u>1,546 31</u>         |
| <b>Total Liabilities</b>               | 2,557 83                | 1,011 52                | 1,546 31                |

**Agrell Architectural Carving**  
**Balance Sheet**  
**As of December 31, 2007**

|                                       | <u>Dec 31, 07</u> | <u>Dec 31, 06</u> | <u>\$ Change</u> |
|---------------------------------------|-------------------|-------------------|------------------|
| <b>Equity</b>                         |                   |                   |                  |
| Distributions to Shareholder          | -437,289 93       | -437,289 93       | 0 00             |
| Common Stock                          | 5,000 00          | 5,000 00          | 0 00             |
| Retained Earnings                     | 495,084 78        | 437,274 25        | 57,810 53        |
| Net Income                            | 16,708 19         | 57,810 53         | -41,102 34       |
| Total Equity                          | <u>79,503 04</u>  | <u>62,794 85</u>  | <u>16,708 19</u> |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <u>82,060 87</u>  | <u>63,806 37</u>  | <u>18,254.50</u> |

# Agrell Architectural Carving

## Profit & Loss Prev Year Comparison

### January through December 2007

|                                | Jan - Dec 07      | Jan - Dec 06      | \$ Change          | % Change       |
|--------------------------------|-------------------|-------------------|--------------------|----------------|
| <b>Ordinary Income/Expense</b> |                   |                   |                    |                |
| <b>Income</b>                  |                   |                   |                    |                |
| Custom Wood Carvings           | 287,525 13        | 528,761 95        | -241,236 82        | -45 62%        |
| Design Consulting              | 0 00              | 21,924 76         | -21,924 76         | -100 0%        |
| Div Income                     | 0 00              | 25 00             | -25 00             | -100 0%        |
| Interest Inc                   | 798 00            | 72 68             | 725 32             | 997 96%        |
| Other Inc                      | 0 00              | 0 00              | 0 00               | 0 0%           |
| Teaching                       | 5,127 00          | 14,846 50         | -9,719 50          | -65 47%        |
| UK Income                      | 0 00              | 0 00              | 0 00               | 0 0%           |
| Uncategorized Income           | 44,824 77         | 0 00              | 44,824 77          | 100 0%         |
| Video Sales                    | 459 95            | 324 91            | 135 04             | 41 56%         |
| <b>Total Income</b>            | <b>338,734 85</b> | <b>565,955 80</b> | <b>-227,220 95</b> | <b>-40 15%</b> |
| <b>Cost of Goods Sold</b>      |                   |                   |                    |                |
| Cost of sales - UK             | 0 00              | 0 00              | 0 00               | 0 0%           |
| Shipping supplies              | 506 26            | 0 00              | 506 26             | 100 0%         |
| Cost of sales - India          | 58,750 00         | 107,500 00        | -48,750 00         | -45 35%        |
| Freight                        | 28,326 37         | 51,533 73         | -23,207 36         | -45 03%        |
| Manufacturing supplies         | 4,632 18          | 4,567 81          | 64 37              | 1 41%          |
| Outside labour                 | 48,821 08         | 75,352 52         | -26,531 44         | -35 21%        |
| Raw materials - carving        | 600 25            | 3,059 30          | -2,459 05          | -80 38%        |
| Rental equipment               | 83 67             | 0 00              | 83 67              | 100 0%         |
| <b>Total COGS</b>              | <b>141,719 81</b> | <b>242,013 36</b> | <b>-100,293 55</b> | <b>-41 44%</b> |
| <b>Gross Profit</b>            | <b>197,015 04</b> | <b>323,942 44</b> | <b>-126,927 40</b> | <b>-39 18%</b> |
| <b>Expense</b>                 |                   |                   |                    |                |
| Penalties                      | 97 94             | 0 00              | 97 94              | 100 0%         |
| Consulting expense             | 317 00            | 0 00              | 317 00             | 100 0%         |
| Rent                           | 1,925 00          | 17,000 00         | -15,075 00         | -88 68%        |
| Accounting                     | 9,039 49          | 5,155 00          | 3,884 49           | 75 35%         |
| Advertising & Marketing        | 28,475 35         | 30,668 59         | -2,193 24          | -7 15%         |
| <b>Auto</b>                    |                   |                   |                    |                |
| Fuel                           | 2,114 31          | 1,053 78          | 1,060 53           | 100 64%        |
| Insurance                      | 1,800 55          | 2,102 40          | -301 85            | -14 36%        |
| Registration                   | 0 00              | 257 00            | -257 00            | -100 0%        |
| Service & Other                | 2,525 61          | 2,999 78          | -474 17            | -15 81%        |
| Auto - Other                   | 1,156 00          | 1,982 80          | -826 80            | -41 7%         |
| <b>Total Auto</b>              | <b>7,596 47</b>   | <b>8,395 76</b>   | <b>-799 29</b>     | <b>-9 52%</b>  |
| Bank Charge                    | 1,623 26          | 1,472 79          | 150 47             | 10 22%         |
| Books                          | 420 68            | 927 11            | -506 43            | -54 63%        |
| Business promotion             | 0 00              | 250 00            | -250 00            | -100 0%        |
| Depreciation & amortization    | 0 00              | 9,119 00          | -9,119 00          | -100 0%        |
| Dues & subscriptions           | 1,647 79          | 815 94            | 831 85             | 101 95%        |
| <b>Insurance</b>               |                   |                   |                    |                |
| Life Insurance                 | 0 00              | 605 00            | -605 00            | -100 0%        |
| Medical Insurance              | 10,143 94         | 5,098 00          | 5,045 94           | 98 98%         |
| Insurance - Other              | 341 98            | 1,024 58          | -682 60            | -66 62%        |

# Agrell Architectural Carving

## Profit & Loss Prev Year Comparison

January through December 2007

|                             | Jan - Dec 07 | Jan - Dec 06 | \$ Change  | % Change |
|-----------------------------|--------------|--------------|------------|----------|
| <b>Total Insurance</b>      | 10,485 92    | 6,727 58     | 3,758 34   | 55 87%   |
| Interest Exp                | 130 89       | 0 00         | 130 89     | 100 0%   |
| Internet                    | 69 66        | 1,784 25     | -1,714 59  | -96 1%   |
| Legal & professional fees   | 545 00       | 771 10       | -226 10    | -29 32%  |
| Licenses & permits          | 0 00         | 155 00       | -155 00    | -100 0%  |
| Meals & Entertainment       | 2,236 65     | 3,379 48     | -1,142 83  | -33 82%  |
| Medical Expense             | 300 00       | 0 00         | 300 00     | 100 0%   |
| Misc                        | 334 16       | 0 00         | 334 16     | 100 0%   |
| Office expense & supplies   | 12,691 77    | 13,379 27    | -687 50    | -5 14%   |
| Paystar expense             | 208 00       | 714 50       | -506 50    | -70 89%  |
| Photography                 | 97 20        | 173 83       | -76 63     | -44 08%  |
| Postage                     | 606 99       | 1,878 58     | -1,271 59  | -67 69%  |
| Printing & copying          | 31 50        | 189 13       | -157 63    | -83 35%  |
| Repairs                     | 2,505 47     | 1,366 24     | 1,139 23   | 83 38%   |
| Salaries                    | 53,523 65    | 65,414 74    | -11,891 09 | -18 18%  |
| Tax                         |              |              |            |          |
| VAT                         | 5,560 83     | 0 00         | 5,560 83   | 100 0%   |
| Sales Tax                   | 0 00         | 2,742 00     | -2,742 00  | -100 0%  |
| Payroll taxes               | 14,381 86    | 20,889 70    | -6,507 84  | -31 15%  |
| State                       | 800 00       | 4,200 00     | -3,400 00  | -80 95%  |
| <b>Total Tax</b>            | 20,742 69    | 27,831 70    | -7,089 01  | -25 47%  |
| Telephone                   | 5,252 56     | 5,862 10     | -609 54    | -10 4%   |
| Travel                      | 18,079 43    | 24,078 13    | -5,998 70  | -24 91%  |
| Utilities                   | 722 33       | 516 09       | 206 24     | 39 96%   |
| <b>Total Expense</b>        | 179,706 85   | 228,025 91   | -48,319 06 | -21 19%  |
| <b>Net Ordinary Income</b>  | 17,308 19    | 95,916 53    | -78,608 34 | -81 96%  |
| <b>Other Income/Expense</b> |              |              |            |          |
| Other Income                |              |              |            |          |
| Exchange Rate Gain          | 8,400 00     | 6,813 00     | 1,587 00   | 23 29%   |
| Gain/Loss on sale of assets | 0 00         | -2,299 00    | 2,299 00   | 100 0%   |
| <b>Total Other Income</b>   | 8,400 00     | 4,514 00     | 3,886 00   | 86 09%   |
| Other Expense               |              |              |            |          |
| Officers salaries           | 9,000 00     | 42,620 00    | -33,620 00 | -78 88%  |
| <b>Total Other Expense</b>  | 9,000 00     | 42,620 00    | -33,620 00 | -78 88%  |
| <b>Net Other Income</b>     | -600 00      | -38,106 00   | 37,506 00  | -98 43%  |
| <b>Net Income</b>           | 16,708 19    | 57,810 53    | -41,102.34 | -71 1%   |