

Adagio Corporation, Inc.

Income As of May 31, 2005

USD \$

CAD \$

USD to CAD at 1.28

	Bal. End Selected Period	Bal. End Selected Period
Revenues - Consulting	14,930.00	19,110.40
Product Sales	12,155.00	15,558.40
Sales - Bike Equipment	166,366.09	212,948.60
Sales - Golf Equipment	88,600.34	113,408.44
Sales - Kayaks	130,100.39	166,528.50
Sales - Snowboard Equipment	6,962.77	8,912.35
Sales - Windsurfing Equipment	85,680.83	109,671.46
Freight Revenue	3,625.00	4,640.00
Sales Returns - Bike Equipment	(1,675.97)	(2,145.24)
Sales Returns - Windsurfing	(64.00)	(81.92)
Revenue total	\$506,680.45	\$648,550.98
Discounts	(1,973.55)	(2,526.14)
Interest Income	399.79	511.73
Writeoffs	(6.23)	(7.97)
Other income and expenses total	(\$1,579.99)	(\$2,022.39)
Total income	\$505,100.46	\$646,528.59
Expenses		
Subcontracted Consultants	1,500.00	1,920.00
COS - Software	3,775.68	4,832.87
COS - Bikes	83,502.34	106,883.00
COS - Golf	48,096.97	61,564.12
COS - Kayaks	72,156.27	92,360.03
COS - Snowboard	3,705.15	4,742.59
COS - Windsurfing	47,486.67	60,782.94
Inventory Assembly Cost Credit	(70.00)	(89.60)
Cost of sales total	\$260,153.08	\$332,995.94
Accounting fees	684.75	876.48
Advertising	3,250.00	4,160.00
Communications	6,664.94	8,531.12
Consultant Salaries	48,764.64	62,418.74
Depreciation expense	1,448.13	1,853.61
Dues and subscriptions	56.85	72.77
Insurance - Health	6,269.20	8,024.58
Payroll Taxes	3,194.40	4,088.83
Office Expense	1,116.54	1,429.17
Freight	781.64	1,000.50
Sales and Use Tax Expense	7,000.00	8,960.00
Utilities	3,585.08	4,588.90
Costs and expenses total	\$82,816.17	\$106,004.70
Provision for income taxes total	\$0.00	\$0.00
Total expenses	\$342,969.25	\$439,000.64
Net Income	\$162,131.21	\$207,527.95



Adagio Corporation, Inc.

For the 5 Period(s) Ending May 31, 2005

Departmental Summary

		<u>REVENUE</u>	<u>EXPENSES</u>	<u>SURPLUS (DEFICIT)</u>
Dept	Description			
100	100 - East Coast Usa	328,503.35	224,256.12	104,247.23
150	150 - West Coast Usa	6,309.56	5,626.81	682.75
200	200 - East Coast Canada	129,483.63	91,262.57	38,221.06
250	250 - West Coast Canada	42,383.91	23,403.74	18,980.17
TOTALS		\$506,680.45	\$344,549.24	\$162,131.21

This statement automatically adds a row if a new department is added to the general ledger. It uses the ".RangeDept" SmartSheet command to generate an identical row for each department that exists in the chart (but not including any Department ranges or masks).

Adagio Corporation, Inc.
Expenses
As of May 31, 2005

	All Departments	100 - East Coast USA	150 - West Coast USA	200 - East Coast Canada	250 - West Coast Canada	East Coast	West Coast
Subcontracted Consultants	1,500.00	1,500.00	0.00	0.00	0.00	1,500.00	0.00
COS - Software	3,775.68	1,887.84	1,887.84	0.00	0.00	1,887.84	1,887.84
COS - Bikes	83,502.34	75,328.47	138.54	8,035.33	0.00	83,363.80	138.54
COS - Golf	48,096.97	14,925.44	2,936.22	30,235.31	0.00	45,160.75	2,936.22
COS - Kayaks	72,156.27	47,331.78	7.00	2,578.00	22,239.49	49,909.78	22,246.49
COS - Snowboard	3,705.15	322.20	0.00	3,382.95	0.00	3,705.15	0.00
COS - Windsurfing	47,486.67	26,046.17	0.00	21,440.50	0.00	47,486.67	0.00
Inventory Assembly Cost Credit	(70.00)	(70.00)	0.00	0.00	0.00	(70.00)	0.00
Cost of sales total	\$260,153.08	\$167,271.90	\$4,969.60	\$65,672.09	\$22,239.49	\$232,943.99	\$27,209.09
Accounting fees	684.75	684.75	0.00	0.00	0.00	684.75	0.00
Advertising	3,250.00	2,925.00	325.00	0.00	0.00	2,925.00	325.00
Communications	6,664.94	5,584.97	332.21	223.51	524.25	5,808.48	856.46
Consultant Salaries	48,764.64	25,436.96	0.00	23,327.68	0.00	48,764.64	0.00
Depreciation expense	1,448.13	1,356.04	0.00	92.09	0.00	1,448.13	0.00
Dues and subscriptions	56.85	56.85	0.00	0.00	0.00	56.85	0.00
Insurance - Health	6,269.20	5,769.20	0.00	0.00	500.00	5,769.20	500.00
Payroll Taxes	3,194.40	1,247.20	0.00	1,947.20	0.00	3,194.40	0.00
Office Expense	1,116.54	976.54	0.00	0.00	140.00	976.54	140.00
Freight	781.64	781.64	0.00	0.00	0.00	781.64	0.00
Sales and Use Tax Expense	7,000.00	7,000.00	0.00	0.00	0.00	7,000.00	0.00
Utilities	3,585.08	3,585.08	0.00	0.00	0.00	3,585.08	0.00
Costs and expenses total	\$82,816.17	\$55,404.23	\$657.21	\$25,590.48	\$1,164.25	\$80,994.71	\$1,821.46
Provision for income taxes total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Gross profit (loss)	\$342,969.25	\$222,676.13	\$5,626.81	\$91,262.57	\$23,403.74	\$313,938.70	\$29,030.55

Adagio Corporation, Inc.
Expenses
For the 5 Period(s) Ending May 31, 2005
(Unaudited)

(Schedule 1)



Expenses	May 31 2005	February 28 2005
Accounting fees	684.75	858.00
Advertising	3,250.00	9,520.85
Communications	6,664.94	15,775.08
Computer expenses	0.00	1,267.02
Consultant Salaries	48,764.64	10,000.00
Contributions	0.00	346.06
Depreciation expense	1,448.13	4,068.12
Dues and subscriptions	56.85	366.70
Insurance - Health	6,269.20	15,046.08
Legal fees	0.00	1,919.45
Meals & Entertainment	0.00	1,083.97
Miscellaneous expense	0.00	497.40
Payroll Taxes	3,194.40	0.00
Office Expense	1,116.54	1,937.40
Postage and Shipping	781.64	2,735.01
Promotional	0.00	1,866.64
Publications & Books	0.00	460.97
Sales and Use Tax Expense	7,000.00	16,800.00
Software & Demo's	0.00	8,838.76
Training & Seminars	0.00	5,789.99
Travel Expenses	0.00	1,055.34
Utilities	3,585.08	8,255.65
Discounts	1,973.55	0.00
Interest Income	(399.79)	0.00
Writeoffs	6.23	0.00
Expenses total	\$84,396	\$108,488

See notes to the financial statements

Adagio FX Financial Reporter

C:\FXSHIP\AF13Notes-7(ExpenseSchedule)

Printed on: February 18, 2005

Adagio Corporation, Inc.
Income Statement
For the 2 Period(s) Ending Feb 28 05

Consolidated Departments

Unaudited

	Feb-05	Year To Date
Revenue:		
Revenues - Consulting	2,940.00	5,880.00
Product Sales	0.00	2,545.00
Sales - Bike Equipment	18,463.34	36,019.97
Sales - Golf Equipment	34,050.93	37,705.58
Sales - Kayaks	4,103.05	21,495.05
Sales - Snowboard Equipment	414.74	1,096.85
Sales - Windsurfing Equipment	3,254.40	19,600.75
Freight Revenue	1,275.00	2,250.00
Sales Returns - Bike Equipment	0.00	(1,040.39)
Sales Returns - Windsurfing	0.00	(64.00)
	\$64,501.46	\$125,488.81
Less direct expenses:		
COS - Bikes	8,953.40	18,801.14
COS - Golf	18,516.92	20,661.11
COS - Kayaks	2,293.51	12,785.30
COS - Snowboard	282.66	758.55
COS - Windsurfing	1,993.58	11,795.98
	\$32,040.07	\$64,802.08
Gross Profit	\$32,461.39	\$60,686.73
Costs and expenses:		
Advertising	650.00	1,300.00
Communications	882.95	2,005.31
Depreciation expense	339.01	678.02
Dues and subscriptions	0.00	56.85
Insurance - Health	1,253.84	2,507.68
Office Expense	120.00	240.00
Sales and Use Tax Expense	1,400.00	2,800.00
Utilities	564.16	1,251.68
	\$5,209.96	\$10,839.54
Other income and expense	(21.69)	83.27
Net earnings (loss) for period	\$27,273.12	\$49,763.92

Adagio Corporation, Inc.
Income Statement
For the 2 Period(s) Ending Feb 28 05

100 - East Coast USA

Unaudited

	Feb-05	Year To Date
Revenue:		
Revenues - Consulting	1,495.00	2,990.00
Product Sales	0.00	2,545.00
Sales - Bike Equipment	15,963.44	32,072.12
Sales - Golf Equipment	12,410.38	12,410.38
Sales - Kayaks	4,103.05	21,495.05
Sales - Windsurfing Equipment	916.20	1,205.75
Freight Revenue	950.00	1,600.00
Sales Returns - Bike Equipment	0.00	(1,040.39)
	\$35,838.07	\$73,277.91
Less direct expenses:		
COS - Bikes	7,578.50	16,635.88
COS - Golf	6,590.48	6,590.48
COS - Kayaks	2,293.51	12,785.30
COS - Windsurfing	564.68	749.53
	\$17,027.17	\$36,761.19
Gross Profit	\$18,810.90	\$36,516.72
Costs and expenses:		
Advertising	650.00	1,300.00
Communications	882.95	2,005.31
Depreciation expense	339.01	678.02
Dues and subscriptions	0.00	56.85
Insurance - Health	1,253.84	2,507.68
Office Expense	120.00	240.00
Sales and Use Tax Expense	1,400.00	2,800.00
Utilities	564.16	1,251.68
	\$5,209.96	\$10,839.54
Other income and expense	(21.69)	83.27
Net earnings (loss) for period	\$13,622.63	\$25,593.91

Adagio Corporation, Inc.
Income Statement
For the 2 Period(s) Ending Feb 28 05

150 - West Coast USA

Unaudited

Feb-05

Year To Date

Revenue:

Less direct expenses:

Costs and expenses:

Adagio Corporation, Inc.
Income Statement
For the 2 Period(s) Ending Feb 28 05

200 - East Coast Canada

Unaudited

	Feb-05	Year To Date
Revenue:		
Revenues - Consulting	1,445.00	2,890.00
Sales - Bike Equipment	2,499.90	3,947.85
Sales - Golf Equipment	21,640.55	25,295.20
Sales - Snowboard Equipment	414.74	1,096.85
Sales - Windsurfing Equipment	2,338.20	18,395.00
Freight Revenue	325.00	650.00
Sales Returns - Windsurfing	0.00	(64.00)
	\$28,663.39	\$52,210.90
Less direct expenses:		
COS - Bikes	1,374.90	2,165.26
COS - Golf	11,926.44	14,070.63
COS - Snowboard	282.66	758.55
COS - Windsurfing	1,428.90	11,046.45
	\$15,012.90	\$28,040.89
Gross Profit	\$13,650.49	\$24,170.01
Costs and expenses:		
Net earnings (loss) for period	\$13,650.49	\$24,170.01

Adagio Corporation, Inc.
Income Statement
For the 2 Period(s) Ending Feb 28 05

250 - West Coast Canada

Unaudited

Feb-05

Year To Date

Revenue:

Less direct expenses:

Costs and expenses:

Adagio Corporation, Inc.
Income Statement
For the 2 Period(s) Ending Feb 28 05

USA

Unaudited

	Feb-05	Year To Date
Revenue:		
Revenues - Consulting	1,495.00	2,990.00
Product Sales	0.00	2,545.00
Sales - Bike Equipment	15,963.44	32,072.12
Sales - Golf Equipment	12,410.38	12,410.38
Sales - Kayaks	4,103.05	21,495.05
Sales - Windsurfing Equipment	916.20	1,205.75
Freight Revenue	950.00	1,600.00
Sales Returns - Bike Equipment	0.00	(1,040.39)
	\$35,838.07	\$73,277.91
Less direct expenses:		
COS - Bikes	7,578.50	16,635.88
COS - Golf	6,590.48	6,590.48
COS - Kayaks	2,293.51	12,785.30
COS - Windsurfing	564.68	749.53
	\$17,027.17	\$36,761.19
Gross Profit	\$18,810.90	\$36,516.72
Costs and expenses:		
Advertising	650.00	1,300.00
Communications	882.95	2,005.31
Depreciation expense	339.01	678.02
Dues and subscriptions	0.00	56.85
Insurance - Health	1,253.84	2,507.68
Office Expense	120.00	240.00
Sales and Use Tax Expense	1,400.00	2,800.00
Utilities	564.16	1,251.68
	\$5,209.96	\$10,839.54
Other income and expense	(21.69)	83.27
Net earnings (loss) for period	\$13,622.63	\$25,593.91

Adagio Corporation, Inc.
Income Statement
For the 2 Period(s) Ending Feb 28 05

Canada

Unaudited

	Feb-05	Year To Date
Revenue:		
Revenues - Consulting	1,445.00	2,890.00
Sales - Bike Equipment	2,499.90	3,947.85
Sales - Golf Equipment	21,640.55	25,295.20
Sales - Snowboard Equipment	414.74	1,096.85
Sales - Windsurfing Equipment	2,338.20	18,395.00
Freight Revenue	325.00	650.00
Sales Returns - Windsurfing	0.00	(64.00)
	\$28,663.39	\$52,210.90
Less direct expenses:		
COS - Bikes	1,374.90	2,165.26
COS - Golf	11,926.44	14,070.63
COS - Snowboard	282.66	758.55
COS - Windsurfing	1,428.90	11,046.45
	\$15,012.90	\$28,040.89
Gross Profit	\$13,650.49	\$24,170.01
Costs and expenses:		
Net earnings (loss) for period	\$13,650.49	\$24,170.01

Adagio Corporation, Inc.
Income Statement
For the 2 Period(s) Ending Feb 28 05

East Coast

Unaudited

	Feb-05	Year To Date
Revenue:		
Revenues - Consulting	1,495.00	2,990.00
Revenues - Consulting	1,445.00	2,890.00
Product Sales	0.00	2,545.00
Sales - Bike Equipment	15,963.44	32,072.12
Sales - Bike Equipment	2,499.90	3,947.85
Sales - Golf Equipment	12,410.38	12,410.38
Sales - Golf Equipment	21,640.55	25,295.20
Sales - Kayaks	4,103.05	21,495.05
Sales - Snowboard Equipment	414.74	1,096.85
Sales - Windsurfing Equipment	916.20	1,205.75
Sales - Windsurfing Equipment	2,338.20	18,395.00
Freight Revenue	950.00	1,600.00
Freight Revenue	325.00	650.00
Sales Returns - Bike Equipment	0.00	(1,040.39)
Sales Returns - Windsurfing	0.00	(64.00)
	\$64,501.46	\$125,488.81
Less direct expenses:		
COS - Bikes	7,578.50	16,635.88
COS - Bikes	1,374.90	2,165.26
COS - Golf	6,590.48	6,590.48
COS - Golf	11,926.44	14,070.63
COS - Kayaks	2,293.51	12,785.30
COS - Snowboard	282.66	758.55
COS - Windsurfing	564.68	749.53
COS - Windsurfing	1,428.90	11,046.45
	\$32,040.07	\$64,802.08
Gross Profit	\$32,461.39	\$60,686.73
Costs and expenses:		
Advertising	650.00	1,300.00
Communications	882.95	2,005.31
Depreciation expense	339.01	678.02
Dues and subscriptions	0.00	56.85
Insurance - Health	1,253.84	2,507.68
Office Expense	120.00	240.00
Sales and Use Tax Expense	1,400.00	2,800.00
Utilities	564.16	1,251.68
	\$5,209.96	\$10,839.54
Other income and expense	(21.69)	83.27
Net earnings (loss) for period	\$27,273.12	\$49,763.92

Adagio Corporation, Inc.
Income Statement
For the 2 Period(s) Ending Feb 28 05

West Coast

Unaudited

Feb-05

Year To Date

Revenue:

Less direct expenses:

Costs and expenses:

Adagio Corporation, Inc.

Income Statement

For the 5 Period(s) Ending May 31 05

Consolidated Departments

Unaudited

	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Year To Date
Revenue:													
Revenues - Consulting	2,940.00	2,940.00	2,940.00	3,055.00	3,055.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,930.00
Product Sales	2,545.00	0.00	7,065.00	2,545.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,155.00
Sales - Bike Equipment	17,556.63	18,463.34	85,750.87	38,329.67	6,265.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	166,366.09
Sales - Golf Equipment	3,654.65	34,050.93	31,423.42	14,131.94	5,339.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88,600.34
Sales - Kayaks	17,392.00	4,103.05	57,580.04	9,896.39	41,128.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	130,100.39
Sales - Snowboard Equipment	682.11	414.74	5,119.16	746.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,962.77
Sales - Windsurfing Equipment	16,346.35	3,254.40	64,074.13	1,038.00	967.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85,680.83
Freight Revenue	975.00	1,275.00	1,275.00	50.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,625.00
Sales Returns - Bike Equipment	(1,040.39)	0.00	0.00	(635.58)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,675.97)
Sales Returns - Windsurfing	(64.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(64.00)
	\$60,987.35	\$64,501.46	\$255,227.62	\$69,157.18	\$56,806.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$506,680.45
Less direct expenses:													
Subcontracted Consultants	0.00	0.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
COS - Software	0.00	0.00	1,887.84	0.00	1,887.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,775.68
COS - Bikes	9,847.74	8,953.40	42,508.03	18,929.11	3,264.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83,502.34
COS - Golf	2,144.19	18,516.92	16,991.69	7,507.95	2,936.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48,096.97
COS - Kayaks	10,491.79	2,293.51	31,120.64	6,003.84	22,246.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72,156.27
COS - Snowboard	475.89	282.66	2,551.70	394.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,705.15
COS - Windsurfing	9,802.40	1,993.58	34,602.62	550.00	538.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47,486.67
Inventory Assembly Cost Credit	0.00	0.00	0.00	(70.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(70.00)
	\$32,762.01	\$32,040.07	\$129,662.52	\$33,315.80	\$32,372.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$260,153.08
Gross Profit	\$28,225.34	\$32,461.39	\$125,565.10	\$35,841.38	\$24,434.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$246,527.37
Costs and expenses:													
Accounting fees	0.00	0.00	0.00	684.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	684.75
Advertising	650.00	650.00	650.00	650.00	650.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,250.00
Communications	1,122.36	882.95	1,117.61	982.29	2,559.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,664.94
Consultant Salaries	0.00	0.00	0.00	24,382.32	24,382.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48,764.64
Depreciation expense	339.01	339.01	339.02	431.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,448.13
Dues and subscriptions	56.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.85
Insurance - Health	1,253.84	1,253.84	1,253.84	1,253.84	1,253.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,269.20
Payroll Taxes	0.00	0.00	0.00	1,597.20	1,597.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,194.40
Office Expense	120.00	120.00	120.00	476.54	280.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,116.54
Freight	0.00	0.00	0.00	781.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	781.64
Sales and Use Tax Expense	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,000.00
Utilities	687.52	564.16	781.46	751.94	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,585.08
Other income and expense	104.96	(21.69)	775.91	782.57	(61.76)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,579.99
Net earnings (loss) for period	\$22,490.80	\$27,273.12	\$119,127.26	\$1,667.20	(\$8,427.17)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$162,131.21

Adagio Corporation, Inc.
Income Statement
For the 5 Period(s) Ending May 31 05



Consolidated Departments

Unaudited

	May-05	% Revenue	Year To Date	% Revenue
Revenue:				
Revenues - Consulting	3,055.00	5.38	14,930.00	2.95
Product Sales	0.00	0.00	12,155.00	2.40
Sales - Bike Equipment	6,265.58	11.03	166,366.09	32.83
Sales - Golf Equipment	5,339.40	9.40	88,600.34	17.49
Sales - Kayaks	41,128.91	72.40	130,100.39	25.68
Sales - Snowboard Equipment	0.00	0.00	6,962.77	1.37
Sales - Windsurfing Equipment	967.95	1.70	85,680.83	16.91
Freight Revenue	50.00	0.09	3,625.00	0.72
Sales Returns - Bike Equipment	0.00	0.00	(1,675.97)	(0.33)
Sales Returns - Windsurfing	0.00	0.00	(64.00)	(0.01)
	\$56,806.84	100.00	\$506,680.45	100.00
Less direct expenses:				
Subcontracted Consultants	1,500.00	2.64	1,500.00	0.30
COS - Software	1,887.84	3.32	3,775.68	0.75
COS - Bikes	3,264.06	5.75	83,502.34	16.48
COS - Golf	2,936.22	5.17	48,096.97	9.49
COS - Kayaks	22,246.49	39.16	72,156.27	14.24
COS - Snowboard	0.00	0.00	3,705.15	0.73
COS - Windsurfing	538.07	0.95	47,486.67	9.37
Inventory Assembly Cost Credit	0.00	0.00	(70.00)	(0.01)
	\$32,372.68	56.99	\$260,153.08	51.34
Gross Profit	\$24,434.16	43.01	\$246,527.37	48.66
Costs and expenses:				
Accounting fees	0.00	0.00	684.75	0.14
Advertising	650.00	1.14	3,250.00	0.64
Communications	2,559.73	4.51	6,664.94	1.32
Consultant Salaries	24,382.32	42.92	48,764.64	9.62
Depreciation expense	0.00	0.00	1,448.13	0.29
Dues and subscriptions	0.00	0.00	56.85	0.01
Insurance - Health	1,253.84	2.21	6,269.20	1.24
Payroll Taxes	1,597.20	2.81	3,194.40	0.63
Office Expense	280.00	0.49	1,116.54	0.22
Freight	0.00	0.00	781.64	0.15
Sales and Use Tax Expense	1,400.00	2.46	7,000.00	1.38
Utilities	800.00	1.41	3,585.08	0.71
	\$32,923.09	57.96	\$82,816.17	16.34
Other income and expense	(61.76)	(0.11)	1,579.99	0.31
Net earnings (loss) for period	(\$8,427.17)	(14.83)	\$162,131.21	32.00

Adagio Corporation, Inc.
Income Statement
For the 5 Period(s) Ending May 31, 2005
(Unaudited)



	May 31 2005	February 28 2005
	<i>5 Month(s)</i>	
TRADE SALES	506,680.45	116,770.00
COST OF SALES		
Opening Inventory	0.00	0.00
Purchases	0.00	0.00
Closing Inventory	0.00	0.00
GROSS PROFIT		
FEES	0.00	0.00
Commissions		
Management fees	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
PROPERTY, PLANT AND EQUIPMENT (Note 6)	0.00	0.00
Less accumulated depreciation	0.00	0.00
INTANGIBLE ASSETS (Note 7)	0.00	0.00
DUE FROM SHAREHOLDERS (Note 5)	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
EXPENSES (Schedule 1)		
INCOME FROM OPERATIONS	0.00	0.00
OTHER INCOME	0.00	0.00
Dividend income	0.00	0.00
Gain on disposal of assets	0.00	0.00
	0.00	0.00
	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
	0.00	0.00
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEM	0.00	0.00
INCOME TAXED	0.00	0.00
INCOME BEFORE EXTRAORDINARY ITEM	0.00	0.00
EXTRAORDINARY ITEM	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>
NET INCOME	<u><u>\$0.00</u></u>	<u><u>\$0.00</u></u>

See notes to the financial statements

Adagio Corporation, Inc.

Income Statement

For the 5 Period(s) Ending May 31, 2005

	Balance	
	Debit	Credit
Revenues - Consulting		14,930.00
Product Sales		12,155.00
Sales - Bike Equipment		166,366.09
Sales - Golf Equipment		88,600.34
Sales - Kayaks		130,100.39
Sales - Snowboard Equipment		6,962.77
Sales - Windsurfing Equipment		85,680.83
Freight Revenue		3,625.00
Sales Returns - Bike Equipment	1,675.97	
Sales Returns - Windsurfing	64.00	
Subcontracted Consultants	1,500.00	
COS - Software	3,775.68	
COS - Bikes	83,502.34	
COS - Golf	48,096.97	
COS - Kayaks	72,156.27	
COS - Snowboard	3,705.15	
COS - Windsurfing	47,486.67	
Inventory Assembly Cost Credit		70.00
Accounting fees	684.75	
Advertising	3,250.00	
Communications	6,664.94	
Consultant Salaries	48,764.64	
Depreciation expense	1,448.13	
Dues and subscriptions	56.85	
Insurance - Health	6,269.20	
Payroll Taxes	3,194.40	
Office Expense	1,116.54	
Freight	781.64	
Sales and Use Tax Expense	7,000.00	
Utilities	3,585.08	
Discounts	1,973.55	
Interest Income		399.79
Writeoffs	6.23	
	\$346,759.00	\$508,890.21
Profit	\$162,131.21	

The expanded form of the sheet prints a row for every account in the range. The format of the rows is inherited from the '.Range' row. Accounts with no activity are suppressed from the sheet.

Adagio Corporation, Inc.

For the 5 Period(s) Ending May 31, 2005

Consolidated Departments

	Income		
	Year To Date	Year To Date Budget	Budget Variance
Revenue			
Revenues - Consulting	14,930.00	357,070.34	(342,140.34)
Product Sales	12,155.00	61,212.02	(49,057.02)
Sales - Bike Equipment	166,366.09	0.00	166,366.09
Sales - Golf Equipment	88,600.34	0.00	88,600.34
Sales - Kayaks	130,100.39	0.00	130,100.39
Sales - Snowboard Equipment	6,962.77	0.00	6,962.77
Sales - Windsurfing Equipment	85,680.83	0.00	85,680.83
Database Repair Revenue	0.00	(12,500.00)	12,500.00
Freight Revenue	3,625.00	0.00	3,625.00
Sales Returns - Bike Equipment	(1,675.97)	0.00	(1,675.97)
Sales Returns - Windsurfing	(64.00)	0.00	(64.00)
Revenue total	\$506,680.45	\$405,782.36	\$100,898.09
Other income and expenses			
Discounts	(1,973.55)	0.00	(1,973.55)
Interest Income	399.79	0.00	399.79
Writeoffs	(6.23)	0.00	(6.23)
Other income and expenses total	(\$1,579.99)	\$0.00	(\$1,579.99)
Total income	\$505,100.46	\$405,782.36	\$99,318.10
Expenses			
Cost of sales			
Subcontracted Consultants	1,500.00	82,301.62	(80,801.62)
COS - Software	3,775.68	45,909.04	(42,133.36)
COS - Bikes	83,502.34	0.00	83,502.34
COS - Golf	48,096.97	0.00	48,096.97
COS - Kayaks	72,156.27	0.00	72,156.27
COS - Snowboard	3,705.15	0.00	3,705.15
COS - Windsurfing	47,486.67	0.00	47,486.67
Inventory Assembly Cost Credit	(70.00)	0.00	(70.00)
Cost of sales total	\$260,153.08	\$128,210.66	\$131,942.42
Costs and expenses			
Accounting fees	684.75	4,534.00	(3,849.25)
Advertising	3,250.00	13,416.64	(10,166.64)
Bank fees	0.00	631.20	(631.20)
Communications	6,664.94	6,642.14	22.80
Computer expenses	0.00	10,450.30	(10,450.30)
Consultant Salaries	48,764.64	60,637.58	(11,872.94)
Contributions	0.00	210.40	(210.40)
Depreciation expense	1,448.13	0.00	1,448.13
Dues and subscriptions	56.85	6,392.60	(6,335.75)
Insurance - Health	6,269.20	12,325.80	(6,056.60)
Payroll Taxes	3,194.40	2,995.78	198.62
Office Expense	1,116.54	4,989.58	(3,873.04)
Freight	781.64	2,501.54	(1,719.90)
Promotional	0.00	6,518.86	(6,518.86)
Sales and Use Tax Expense	7,000.00	0.00	7,000.00
Utilities	3,585.08	0.00	3,585.08
Costs and expenses total	\$82,816.17	\$132,246.42	(\$49,430.25)
Total expenses	\$342,969.25	\$260,457.08	\$82,512.17
Gross profit (loss)	\$848,069.71	\$666,239.44	\$181,830.27



Adagio Corporation, Inc.

Departmental Summary

For the 5 Period(s) Ending May 31, 2005

	<u>YEAR TO DATE</u>	<u>BUDGET YTD</u>	<u>VARIANCE</u>	<u>LAST YEAR TO DATE</u>
INCOME				
100 - East Coast Usa	\$328,503.35	\$148,863.48	(\$179,639.87)	\$21,980.00
150 - West Coast Usa	\$6,309.56	\$148,863.48	\$142,553.92	\$0.00
200 - East Coast Canada	\$129,483.63	\$54,027.70	(\$75,455.93)	\$7,550.00
250 - West Coast Canada	\$42,383.91	\$54,027.70	\$11,643.79	\$0.00
TOTAL INCOME	\$506,680.45	\$405,782.36	(\$100,898.09)	\$29,530.00
EXPENSES				
100 - East Coast Usa	\$224,256.12	\$84,420.66	(\$139,835.46)	\$66,189.85
150 - West Coast Usa	\$5,626.81	\$84,420.66	\$78,793.85	\$0.00
200 - East Coast Canada	\$91,262.57	\$45,807.88	(\$45,454.69)	\$18,055.29
250 - West Coast Canada	\$23,403.74	\$45,807.88	\$22,404.14	\$0.00
TOTAL EXPENSES	\$344,549.24	\$260,457.08	(\$84,092.16)	\$85,118.99
PROFIT (LOSS)				
100 - East Coast Usa	\$104,247.23	\$64,442.82	(\$39,804.41)	(\$44,209.85)
150 - West Coast Usa	\$682.75	\$64,442.82	\$63,760.07	\$0.00
200 - East Coast Canada	\$38,221.06	\$8,219.82	(\$30,001.24)	(\$10,505.29)
250 - West Coast Canada	\$18,980.17	\$8,219.82	(\$10,760.35)	\$0.00
NET PROFIT (LOSS)	\$162,131.21	\$145,325.28	(\$16,805.93)	(\$55,588.99)

Adagio Corporation, Inc.
12 Month Rolling Income Statement
As of April 30, 2005
Income

	May 31	Jun 30	Jul 31	Aug 31	Sep 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	Mar 31	Apr 30	Last 12 Months
Revenue													
Revenues - Consulting	2,510	4,740	2,510	2,625	2,625	9,995	6,070	2,825	2,940	2,940	2,940	3,055	45,775
Product Sales	5,090	8,655	7,635	5,090	14,130	4,195	3,370	12,025	2,545	0	17,557	18,463	72,345
Sales - Bike Equipment	0	0	0	0	0	0	0	0	17,557	0	34,051	3,655	160,101
Sales - Golf Equipment	0	0	0	0	0	0	0	0	3,655	0	17,392	4,103	83,261
Sales - Kayaks	0	0	0	0	0	0	0	0	682	0	415	5,119	88,971
Sales - Snowboard Equipment	0	0	0	0	0	0	0	0	16,346	3,254	64,074	1,038	6,963
Sales - Windsurfing Equipment	0	0	0	0	0	100	100	50	975	1,275	1,275	50	4,425
Freight Revenue	100	150	150	100	100	100	100	50	(1,040)	0	0	0	84,713
Sales Returns - Bike Equipment	0	0	0	0	0	0	0	0	(64)	0	0	0	4,425
Sales Returns - Windsurfing	0	0	0	0	0	0	0	0	0	0	0	0	(1,676)
Revenue total	\$7,700	\$13,545	\$10,295	\$7,815	\$16,855	\$14,290	\$9,540	\$14,900	\$60,987	\$64,501	\$255,228	\$69,157	\$544,814
Other income and expenses													
Discounts	0	0	0	0	0	0	0	0	(105)	0	(819)	(888)	(1,813)
Interest Income	0	0	0	0	0	0	0	0	0	22	43	106	171
Other income and expenses total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$105)	\$22	(\$776)	(\$783)	(\$1,642)
Total Income	\$7,700	\$13,545	\$10,295	\$7,815	\$16,855	\$14,290	\$9,540	\$14,900	\$60,882	\$64,523	\$254,452	\$68,375	\$543,172
Cost of sales													
COS - Software	0	1,888	0	0	0	2,308	0	1,888	0	0	1,888	0	7,971
COS - Bikes	0	0	0	0	0	0	0	0	9,848	8,953	42,508	18,929	80,238
COS - Golf	0	0	0	0	0	0	0	0	2,144	18,517	16,992	7,508	45,161
COS - Kayaks	0	0	0	0	0	0	0	0	10,492	2,294	31,121	6,004	49,910
COS - Snowboard	0	0	0	0	0	0	0	0	476	283	2,552	395	3,705
COS - Windsurfing	0	0	0	0	0	0	0	0	9,802	1,994	34,603	550	46,949
Inventory Adjustment Write Off	0	0	0	0	0	0	0	(9,353)	0	0	0	0	46,949
Inventory Assembly Cost Credit	0	0	0	0	0	0	0	0	0	0	0	0	(9,353)
Cost of sales total	\$0	\$1,888	\$0	\$0	\$0	\$2,308	\$0	(\$7,465)	\$32,762	\$32,040	\$129,663	\$33,316	\$224,511
Costs and expenses													
Accounting fees	0	0	0	0	0	0	0	0	0	0	0	0	685
Advertising	650	650	650	650	650	650	650	650	650	650	650	650	7,800
Communications	1,185	1,133	1,099	940	1,108	1,148	1,078	1,138	1,122	883	1,118	982	12,933
Consultant Salaries	0	0	0	0	0	0	0	0	0	0	0	24,382	24,382
Depreciation expense	339	339	339	339	339	339	339	339	339	339	339	431	4,160
Dues and subscriptions	0	0	0	0	0	0	0	0	57	0	0	0	57
Insurance - Health	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	15,046
Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	1,597	1,597
Office Expense	120	120	120	120	120	120	120	120	120	120	120	477	1,797
Freight	76	0	87	10	56	0	0	38	0	0	0	782	1,050
Sales and Use Tax Expense	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800
Utilities	315	547	685	684	485	645	521	675	688	564	781	752	7,344
Costs and expenses total	\$5,339	\$5,442	\$5,634	\$5,397	\$5,412	\$5,556	\$5,362	\$5,614	\$5,630	\$5,210	\$5,662	\$33,392	\$93,650
Total expenses	\$5,339	\$7,330	\$5,634	\$5,397	\$5,412	\$7,864	\$5,362	(\$1,851)	\$38,392	\$37,250	\$135,324	\$66,707	\$318,161
Gross profit (loss)	\$2,361	\$6,215	\$4,661	\$2,418	\$11,443	\$6,426	\$4,178	\$16,751	\$22,491	\$27,273	\$119,127	\$1,667	\$225,011

Adagio Corporation, Inc.
Four Quarter Rolling Income Statement
As of May 31, 2005

Income

	Jul-04	Oct-04	Jan-05	Apr-05	Last 4 Quarters
Revenue					
Revenues - Consulting	7,760.00	18,890.00	8,820.00	6,110.00	41,580.00
Product Sales	26,855.00	19,590.00	9,610.00	2,545.00	58,600.00
Sales - Bike Equipment	0.00	0.00	121,770.84	44,595.25	166,366.09
Sales - Golf Equipment	0.00	0.00	69,129.00	19,471.34	88,600.34
Sales - Kayaks	0.00	0.00	79,075.09	51,025.30	130,100.39
Sales - Snowboard Equipment	0.00	0.00	6,216.01	746.76	6,962.77
Sales - Windsurfing Equipment	0.00	0.00	83,674.88	2,005.95	85,680.83
Freight Revenue	350.00	250.00	3,525.00	100.00	4,225.00
Sales Returns - Bike Equipment	0.00	0.00	(1,040.39)	(635.58)	(1,675.97)
Sales Returns - Windsurfing	0.00	0.00	(64.00)	0.00	(64.00)
Revenue total	<u>\$34,965.00</u>	<u>\$38,730.00</u>	<u>\$380,716.4</u>	<u>\$125,964.0</u>	<u>\$580,375.4</u>
Other income and expenses					
Discounts	0.00	0.00	(924.30)	(1,049.25)	(1,973.55)
Interest Income	0.00	0.00	65.12	334.67	399.79
Writeoffs	0.00	0.00	0.00	(6.23)	(6.23)
Other income and expenses total	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$859.18)</u>	<u>(\$720.81)</u>	<u>(\$1,579.99)</u>
Total income	<u>\$34,965.00</u>	<u>\$38,730.00</u>	<u>\$379,857.2</u>	<u>\$125,243.2</u>	<u>\$578,795.4</u>

Expenses

Cost of sales					
Subcontracted Consultants	0.00	0.00	0.00	1,500.00	1,500.00
COS - Software	0.00	4,195.39	1,887.84	1,887.84	7,971.07
COS - Bikes	0.00	0.00	61,309.17	22,193.17	83,502.34
COS - Golf	0.00	0.00	37,652.80	10,444.17	48,096.97
COS - Kayaks	0.00	0.00	43,905.94	28,250.33	72,156.27
COS - Snowboard	0.00	0.00	3,310.25	394.90	3,705.15
COS - Windsurfing	0.00	0.00	46,398.60	1,088.07	47,486.67
Inventory Adjustment Write Off	0.00	(9,352.81)	0.00	0.00	(9,352.81)
Inventory Assembly Cost Credit	0.00	0.00	0.00	(70.00)	(70.00)
Cost of sales total	<u>\$0.00</u>	<u>(\$5,157.42)</u>	<u>\$194,464.6</u>	<u>\$65,688.48</u>	<u>\$254,995.6</u>
Costs and expenses					
Accounting fees	0.00	0.00	0.00	684.75	684.75
Advertising	1,950.00	1,950.00	1,950.00	1,300.00	7,150.00
Communications	3,146.74	3,363.27	3,122.92	3,542.02	13,174.95
Consultant Salaries	0.00	0.00	0.00	48,764.64	48,764.64
Depreciation expense	1,017.03	1,017.03	1,017.04	431.09	3,482.19
Dues and subscriptions	0.00	0.00	56.85	0.00	56.85
Insurance - Health	3,761.52	3,761.52	3,761.52	2,507.68	13,792.24
Payroll Taxes	0.00	0.00	0.00	3,194.40	3,194.40
Office Expense	360.00	360.00	360.00	756.54	1,836.54
Freight	153.52	38.45	0.00	781.64	973.61
Sales and Use Tax Expense	4,200.00	4,200.00	4,200.00	2,800.00	15,400.00
Utilities	1,854.31	1,842.07	2,033.14	1,551.94	7,281.46
Costs and expenses total	<u>\$16,443.12</u>	<u>\$16,532.34</u>	<u>\$16,501.47</u>	<u>\$66,314.70</u>	<u>\$115,791.6</u>
Total expenses	<u>\$16,443.12</u>	<u>\$11,374.92</u>	<u>\$210,966.0</u>	<u>\$132,003.1</u>	<u>\$370,787.2</u>
Gross profit (loss)	<u>\$18,521.88</u>	<u>\$27,355.08</u>	<u>\$168,891.1</u>	<u>(\$6,759.97)</u>	<u>\$208,008.1</u>

Adagio Corporation, Inc.
STATEMENT OF REVENUE & EXPENSE
For the Month Ended May 31, 2005

Consolidated Departments

Revenue	Revenue			Last Year
	Actual	Budget	Variance	
Revenues - Consulting	3,055.00	72,842.28	(69,787.28)	2,510.00
Product Sales	0.00	12,487.22	(12,487.22)	5,090.00
Sales - Bike Equipment	6,265.58	0.00	6,265.58	0.00
Sales - Golf Equipment	5,339.40	0.00	5,339.40	0.00
Sales - Kayaks	41,128.91	0.00	41,128.91	0.00
Sales - Windsurfing Equipment	967.95	0.00	967.95	0.00
Database Repair Revenue	0.00	(2,500.00)	2,500.00	0.00
Freight Revenue	50.00	0.00	50.00	100.00
Revenue total	\$56,806.84	\$82,829.50	(\$26,022.66)	\$7,700.00

Expenditures

Operational Expenses				
Subcontracted Consultants	1,500.00	10,819.58	(9,319.58)	0.00
COS - Software	1,887.84	9,365.44	(7,477.60)	0.00
COS - Bikes	3,264.06	0.00	3,264.06	0.00
COS - Golf	2,936.22	0.00	2,936.22	0.00
COS - Kayaks	22,246.49	0.00	22,246.49	0.00
COS - Windsurfing	538.07	0.00	538.07	0.00
Accounting fees	0.00	1,000.00	(1,000.00)	0.00
Advertising	650.00	3,043.70	(2,393.70)	650.00
Bank fees	0.00	504.96	(504.96)	0.00
Communications	2,559.73	3,634.38	(1,074.65)	1,184.97
Computer expenses	0.00	1,148.24	(1,148.24)	0.00
Consultant Salaries	24,382.32	18,179.06	6,203.26	0.00
Contributions	0.00	210.40	(210.40)	0.00
Depreciation expense	0.00	0.00	0.00	339.00
Dues and subscriptions	0.00	3,833.56	(3,833.56)	0.00
Insurance - Health	1,253.84	0.00	1,253.84	1,253.84
Payroll Taxes	1,597.20	0.00	1,597.20	0.00
Office Expense	280.00	2,028.74	(1,748.74)	120.00
Freight	0.00	1,136.54	(1,136.54)	76.00
Promotional	0.00	4,372.90	(4,372.90)	0.00
Sales and Use Tax Expense	1,400.00	0.00	1,400.00	1,400.00
Utilities	800.00	0.00	800.00	315.45
Discounts	161.04	0.00	161.04	0.00
Interest Income	(229.03)	0.00	(229.03)	0.00
Writeoffs	6.23	0.00	6.23	0.00
Operational Expenses total	\$65,234.01	\$59,277.50	\$5,956.51	\$5,339.26
Surplus (deficit)	(\$8,427.17)	\$23,552.00	(\$31,979.17)	\$2,360.74

Adagio Corporation, Inc.
Revenues & Expenses
As of May 31 05

Consolidated Departments

	Income		
	Year To Date	Year To Date Budget	Budget Variance
Revenue			
Revenues - Consulting	14,930.00	357,070.34	0.00
Revenues - JC	0.00	0.00	0.00
Product Sales	12,155.00	61,212.02	0.00
Sales - Bike Equipment	166,366.09	0.00	82,512.17
Sales - Golf Equipment	88,600.34	0.00	(80,801.62)
Sales - Kayaks	130,100.39	0.00	(42,133.36)
Sales - Snowboard Equipment	6,962.77	0.00	0.00
Sales - Windsurfing Equipment	85,680.83	0.00	83,502.34
Database Repair Revenue	0.00	(12,500.00)	48,096.97
Freight Revenue	3,625.00	0.00	72,156.27
Sales Returns - Bike Equipment	(1,675.97)	0.00	3,705.15
Sales Returns - Golf Equipment	0.00	0.00	47,486.67
Sales Returns - Kayaks	0.00	0.00	0.00
Sales Returns - Snowboarding	0.00	0.00	(70.00)
Sales Returns - Windsurfing	(64.00)	0.00	0.00
Discounts	(1,973.55)	0.00	0.00
Interest Income	399.79	0.00	0.00
Writeoffs	(6.23)	0.00	0.00
Revenue total	\$505,100.46	\$405,782.36	\$99,318.10
Total income	\$505,100.46	\$405,782.36	\$99,318.10

Expenses			
Expenditures			
Subcontracted Consultants	1,500.00	82,301.62	0.00
COS - Software	3,775.68	45,909.04	181,830.27
COS - JC	0.00	0.00	0.00
COS - Bikes	83,502.34	0.00	0.00
COS - Golf	48,096.97	0.00	0.00
COS - Kayaks	72,156.27	0.00	0.00
COS - Snowboard	3,705.15	0.00	0.00
COS - Windsurfing	47,486.67	0.00	0.00
Inventory Adjustment Write Off	0.00	0.00	0.00
Inventory Assembly Cost Credit	(70.00)	0.00	0.00
Cost Variance - Bike Equipment	0.00	0.00	0.00
Cost Variance - Golf Equipment	0.00	0.00	0.00
Cost Variance - Kayaks	0.00	0.00	0.00
Cost Variance - Snowboarding	0.00	0.00	0.00
Cost Variance - Windsurfing	0.00	0.00	0.00
Accounting fees	684.75	4,534.00	0.00
Advertising	3,250.00	13,416.64	0.00
Automobile expense	0.00	0.00	0.00
Bank fees	0.00	631.20	0.00
Communications	6,664.94	6,642.14	0.00
Computer expenses	0.00	10,450.30	0.00
Consultant Salaries	48,764.64	60,637.58	0.00
Contributions	0.00	210.40	0.00
Depreciation expense	1,448.13	0.00	0.00
Dealership Fees	0.00	0.00	0.00
Dues and subscriptions	56.85	6,392.60	0.00
Insurance - Health	6,269.20	12,325.80	0.00
Interest expense	0.00	0.00	0.00
Legal fees	0.00	0.00	0.00
Meals & Entertainment	0.00	0.00	0.00
Miscellaneous expense	0.00	0.00	0.00
Payroll Taxes	3,194.40	2,995.78	0.00
Office Expense	1,116.54	4,989.58	0.00
Gross wage expense	0.00	0.00	0.00
Gross wage expense	0.00	0.00	0.00
Overhead allocated	0.00	0.00	0.00

Burden allocated	0.00	0.00	0.00
Freight	781.64	2,501.54	0.00
Promotional	0.00	6,518.86	0.00
Publications & Books	0.00	0.00	0.00
Sales and Use Tax Expense	7,000.00	0.00	0.00
Software & Demo's	0.00	0.00	0.00
Training & Seminars	0.00	0.00	0.00
Travel Expenses	0.00	0.00	0.00
Utilities	3,585.08	0.00	0.00
Income Taxes	0.00	0.00	0.00
Expenditures total	\$342,969.25	\$260,457.08	\$82,512.17
Total expenses	\$342,969.25	\$260,457.08	\$82,512.17
Total revenues & expenses	\$848,069.71	\$666,239.44	\$181,830.27

Adagio Corporation, Inc.
Revenues & Expenses
As of May 31 05

Consolidated Departments

	Income			Year To Date	Year To Date Budget	Budget Variance
	Year To Date	Last Year YTD	%Variance			
Revenue						
Revenues - Consulting	14,930.00	15,805.00	-5.54%	14,930.00	357,070.34	0.00
Product Sales	12,155.00	13,475.00	-9.80%	12,155.00	61,212.02	0.00
Sales - Bike Equipment	166,366.09	0.00	0.00%	166,366.09	0.00	82,512.17
Sales - Golf Equipment	88,600.34	0.00	0.00%	88,600.34	0.00	(80,801.62)
Sales - Kayaks	130,100.39	0.00	0.00%	130,100.39	0.00	(42,133.36)
Sales - Snowboard Equipment	6,962.77	0.00	0.00%	6,962.77	0.00	0.00
Sales - Windsurfing Equipment	85,680.83	0.00	0.00%	85,680.83	0.00	83,502.34
Database Repair Revenue	0.00	0.00	0.00%	0.00	(12,500.00)	48,096.97
Freight Revenue	3,625.00	250.00	1350.00%	3,625.00	0.00	72,156.27
Sales Returns - Bike Equipment	(1,675.97)	0.00	0.00%	(1,675.97)	0.00	3,705.15
Sales Returns - Golf Equipment	0.00	0.00	0.00%	0.00	0.00	47,486.67
Sales Returns - Snowboarding	0.00	0.00	0.00%	0.00	0.00	(70.00)
Sales Returns - Windsurfing	(64.00)	0.00	0.00%	(64.00)	0.00	0.00
Discounts	(1,973.55)	0.00	0.00%	(1,973.55)	0.00	0.00
Interest Income	399.79	0.00	0.00%	399.79	0.00	0.00
Writeoffs	(6.23)	0.00	0.00%	(6.23)	0.00	0.00
Revenue total	\$505,100.46	\$29,530.00	1610.47%	\$505,100.46	\$405,782.36	\$99,318.10
Total income	\$505,100.46	\$29,530.00	1610.47%	\$505,100.46	\$405,782.36	\$99,318.10
Expenses						
Expenditures						
Subcontracted Consultants	1,500.00	11,272.67	-86.69%	1,500.00	82,301.62	0.00
COS - Software	3,775.68	3,775.68	0.00%	3,775.68	45,909.04	181,830.27
COS - Bikes	83,502.34	0.00	0.00%	83,502.34	0.00	0.00
COS - Golf	48,096.97	0.00	0.00%	48,096.97	0.00	0.00
COS - Kayaks	72,156.27	0.00	0.00%	72,156.27	0.00	0.00
COS - Snowboard	3,705.15	0.00	0.00%	3,705.15	0.00	0.00
COS - Windsurfing	47,486.67	0.00	0.00%	47,486.67	0.00	0.00
Inventory Assembly Cost Credit	(70.00)	0.00	0.00%	(70.00)	0.00	0.00
Accounting fees	684.75	858.00	-20.19%	684.75	4,534.00	0.00
Advertising	3,250.00	4,970.85	-34.62%	3,250.00	13,416.64	0.00
Bank fees	0.00	0.00	0.00%	0.00	631.20	0.00
Communications	6,664.94	8,132.19	-18.04%	6,664.94	6,642.14	0.00
Computer expenses	0.00	1,267.02	-100.00%	0.00	10,450.30	0.00
Consultant Salaries	48,764.64	10,000.00	387.65%	48,764.64	60,637.58	0.00
Contributions	0.00	346.06	-100.00%	0.00	210.40	0.00
Depreciation expense	1,448.13	1,695.04	-14.57%	1,448.13	0.00	0.00
Dues and subscriptions	56.85	366.70	-84.50%	56.85	6,392.60	0.00
Insurance - Health	6,269.20	6,269.20	0.00%	6,269.20	12,325.80	0.00
Legal fees	0.00	1,919.45	-100.00%	0.00	0.00	0.00
Meals & Entertainment	0.00	1,083.97	-100.00%	0.00	0.00	0.00
Miscellaneous expense	0.00	497.40	-100.00%	0.00	0.00	0.00
Payroll Taxes	3,194.40	0.00	0.00%	3,194.40	2,995.78	0.00
Office Expense	1,116.54	1,097.40	1.74%	1,116.54	4,989.58	0.00
Freight	781.64	2,543.04	-69.26%	781.64	2,501.54	0.00
Promotional	0.00	1,866.64	-100.00%	0.00	6,518.86	0.00
Publications & Books	0.00	460.97	-100.00%	0.00	0.00	0.00
Sales and Use Tax Expense	7,000.00	7,000.00	0.00%	7,000.00	0.00	0.00
Software & Demo's	0.00	8,838.76	-100.00%	0.00	0.00	0.00
Training & Seminars	0.00	5,789.99	-100.00%	0.00	0.00	0.00
Travel Expenses	0.00	1,055.34	-100.00%	0.00	0.00	0.00
Utilities	3,585.08	4,012.62	-10.65%	3,585.08	0.00	0.00
Expenditures total	\$342,969.25	\$85,118.99	302.93%	\$342,969.25	\$260,457.08	\$82,512.17
Total expenses	\$342,969.25	\$85,118.99	302.93%	\$342,969.25	\$260,457.08	\$82,512.17
Gross profit (loss)	\$848,069.71	\$114,648.99	1913.39%	\$848,069.71	\$666,239.44	\$181,830.27

Adagio Corporation, Inc.

Statements of Revenue and Expenses and Members' Equity

Years ended May 31, 2005 and 2004

	2005	2004
Revenue:		
Sales	\$ 506,680.45	\$ 29,530.00
Other revenue	0.00	0.00
	506,680.45	29,530.00
Interest & Miscellaneous revenue	399.79	0.00
	\$ 507,080.24	\$ 29,530.00
Expenses:		
Cost of sales (schedule)	260,153.08	15,048.35
Operating expenses (schedule)	84,789.72	70,070.64
Amortization	0.00	0.00
	344,942.80	85,118.99
Other:		
Bank charges	0.00	0.00
GST	0.00	0.00
Other expenses	6.23	0.00
	6.23	0.00
	344,949.03	85,118.99
Excess (deficiency) of revenue over expenses	162,131.21	(55,588.99)
Members' equity, beginning of year	(134,630.97)	(143,983.78)
Members' equity, end of year	\$ 27,500.24	\$ (199,572.77)

See accompanying notes to financial statements.

Adagio Corporation, Inc.

Schedules of Expenses

Years ended May 31, 2005 and 2004

	2005	2004
Cost of Sales		
Subcontracted Consultants	\$ 1,500.00	\$ 11,272.67
COS - Software	3,775.68	3,775.68
COS - Bikes	83,502.34	0.00
COS - Golf	48,096.97	0.00
COS - Kayaks	72,156.27	0.00
COS - Snowboard	3,705.15	0.00
COS - Windsurfing	47,486.67	0.00
Inventory Assembly Cost Credit	(70.00)	0.00
	\$ 260,153.08	\$ 15,048.35
Operating Expenses		
Accounting fees	\$ 684.75	\$ 858.00
Advertising	3,250.00	4,970.85
Communications	6,664.94	8,132.19
Computer expenses	0.00	1,267.02
Consultant Salaries	48,764.64	10,000.00
Contributions	0.00	346.06
Depreciation expense	1,448.13	1,695.04
Dues and subscriptions	56.85	366.70
Insurance - Health	6,269.20	6,269.20
Legal fees	0.00	1,919.45
Meals & Entertainment	0.00	1,083.97
Miscellaneous expense	0.00	497.40
Payroll Taxes	3,194.40	0.00
Office Expense	1,116.54	1,097.40
Postage and Shipping	781.64	2,543.04
Promotional	0.00	1,866.64
Publications & Books	0.00	460.97
Sales and Use Tax Expense	7,000.00	7,000.00
Software & Demo's	0.00	8,838.76
Training & Seminars	0.00	5,789.99
Travel Expenses	0.00	1,055.34
Utilities	3,585.08	4,012.62
Discounts	1,973.55	0.00
	\$ 84,789.72	\$ 70,070.64