

Adagio Corporation, Inc.**Balance Sheet**

May 31, 2005

(Unaudited)

	May 31 2005	February 28 2005
ASSETS		
CURRENT		
Cash	127,317.07	(5,275.01)
Marketable securities (Note 1)	0.00	0.00
Accounts receivable	162,769.79	73,546.38
Inventory (Note 4)	387,205.66	233,994.24
Other Current Assets	0.00	0.00
Due from shareholders (Note 5)	0.00	0.00
	<u>677,292.52</u>	<u>302,265.61</u>
PROPERTY, PLANT AND EQUIPMENT (Note 6)	34,026.85	28,476.85
Less accumulated depreciation	(9,241.39)	(8,471.28)
INTANGIBLE ASSETS (Note 7)	0.00	0.00
DUE FROM SHAREHOLDERS (Note 5)	0.00	0.00
	<u>702,077.98</u>	<u>322,271.18</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts Payable	377,429.02	117,581.73
Income taxes payable	8,533.97	941.75
Management fees payable	0.00	0.00
Other Current Liabilities	10,000.00	10,000.00
Current portion of long term debt (Note 8)	0.00	0.00
Current portion of obligations under capital lease (Note 9)	0.00	0.00
Bonuses payable	0.00	0.00
	<u>395,962.99</u>	<u>128,523.48</u>
LONG TERM DEBT (Note 8)	0.00	0.00
DUE TO RELATED PARTIES (Note 10)	0.00	0.00
DUE TO SHAREHOLDERS (Note 5)	0.00	0.00
OBLIGATIONS UNDER CAPITAL LEASE (Note 9)	0.00	0.00
	<u>395,962.99</u>	<u>128,523.48</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	0.00	0.00
Retained Earnings	306,114.99	193,747.70
	<u>306,114.99</u>	<u>193,747.70</u>
	<u>\$702,077.98</u>	<u>\$322,271.18</u>

APPROVED BY THE SOLE DIRECTOR*Director***See notes to the financial statements**

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(Unaudited)

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DUE FROM SHAREHOLDERS (Note 5)	0.00	0.00
	702,077.98	322,271.18
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SHAREHOLDERS' EQUITY		
Share capital (Note 11)	0.00	0.00
Retained Earnings	306,114.99	193,747.70
	306,114.99	193,747.70
	\$702,077.98	\$322,271.18

APPROVED BY THE SOLE DIRECTOR

Director

Adagio Corporation, Inc.
Balance Sheet
For the Period Ending May 31, 2005



Unaudited

ASSETS

	31-May-05	31-May-04
Current assets:		
Cash-Operating Account SIGNET	127,317.07	69,623.13
Accounts receivable	549,975.45	191,201.28
Total current assets	\$677,292.52	\$260,824.41
Fixed assets:		
Furniture & fixtures	34,026.85	28,476.85
Less accumulated depreciation	9,241.39	5,420.18
	\$24,785.46	\$23,056.67
	\$702,077.98	\$283,881.08

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:		
Accounts payable - Trade	368,545.28	171,861.78
Accounts Payable Clearing (BR)	8,883.74	0.00
Federal Withholding Payable	2,391.70	0.00
State Payroll Withholding	1,891.38	0.00
Unemployment Taxes Payable	2,042.64	0.00
Payroll Clearing Account	1,886.32	0.00
Sales Taxes Payable	321.93	127.25
Note Payable	10,000.00	20,000.00
Total current liabilities	\$395,962.99	\$191,989.03
Shareholders' equity:		
Retained Earnings	143,983.78	143,983.78
Profit (loss) for period	162,131.21	(55,588.99)
Total shareholders' equity	\$306,114.99	\$88,394.79
	\$702,077.98	\$280,383.82

Adagio Corporation, Inc.

Balance Sheet

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

ASSETS

Cash-Operating Account SIGNET	127,317.07
Accounts receivable	162,769.79
Inventory	387,205.66
Furniture & fixtures	34,026.85
Accumulated depreciation - F&F	(9,241.39)
Total Assets	<u>\$702,077.98</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Accounts payable - Trade	368,545.28
Accounts Payable Clearing (BR)	8,883.74
Federal Withholding Payable	2,391.70
State Payroll Withholding	1,891.38
Unemployment Taxes Payable	2,042.64
Payroll Clearing Account	1,886.32
Sales Taxes Payable	321.93
Note Payable	10,000.00
Retained Earnings	143,983.78
Profit (loss)	162,131.21
Total Liabilities	<u>\$702,077.98</u>

Balance Sheet Information
Assets

	Current	This Year	Last Year	Variance
1000	Cash and deposits	127,317.07	69,623.13	83%
1060	Accounts receivable	162,769.79	19,339.50	742%
1061	Allowance for doubtful accounts			
1073	Amounts receivable from members of NPOs			
1120	Inventories	387,205.66	171,861.78	125%
1180	Short term investments			
1240	Loans and notes receivable			
1300	Due from shareholder(s)/director(s)			
1400	Due from/investment in related parties			
1480	Other current assets			
1599	Total current assets	677,292.52	260,824.41	950%
	Capital			
1600	Land			
1620	Depletable assets			
1621	Accumulated amortization of depletable assets			
1680	Buildings			
1681	Accumulated amortization of buildings			
1740	Machinery, equipment, furniture, and fixtures			
1741	Accumulated amortization of machinery, equipment, fu			
1787	Furniture and fixtures	34,026.85	28,476.85	19%
1788	Accumulated amortization of furniture and fixtures	(9,241.39)	(5,420.18)	70%
1900	Other tangible capital assets			
1901	Accumulated amortization of other tangible capital assets			
2008	Total tangible capital assets	34,026.85	28,476.85	19%
2009	Total accumulated amortization of tangible capital assets	(9,241.39)	(5,420.18)	70%
2010	Intangible assets			
2011	Accumulated amortization of intangible assets			
2070	Resource rights			
2071	Accumulated amortization of resource rights			
2178	Total intangible capital assets			
2179	Total accumulated amortization of intangible capital assets			
	Long term			
2180	Due from shareholder(s)/director(s)			
2200	Investment in joint venture(s)/partnership(s)			
2240	Due from/investment in related parties			
2300	Long term investments			
2360	Long term loans			
2420	Other long term assets			
2589	Total long term assets			
2590	Assets held in trust			
2599	Total assets	702,077.98	283,881.08	1040%

Balance Sheet Information
Liabilities

Current			
2600	Bank overdraft		
2620	Amounts payable and accrued liabilities	377,429.02	171,861.78 120%
2630	Amounts payable to members of NPOs		
2680	Taxes payable	8,533.97	127.25 6606%
2700	Short term debt	10,000.00	20,000.00 -50%
2780	Due to shareholder(s)/director(s)		
2860	Due to related parties		
2920	Current portion of long term liability		
2960	Other current liabilities		
3139	Total current liabilities	395,962.99	191,989.03 6676%
Long term			
3140	Long term debt		
3220	Deferred income		
3240	Deferred income taxes		
3260	Due to shareholder(s)/director(s)		
3300	Due to related parties		
3320	Other long term liabilities		
3450	Total long term liabilities		
3470	Amounts held in trust		
3499	Total liabilities	395,962.99	191,989.03 6676%
Shareholder equity			
3500	Common shares		
3520	Preferred shares		
3540	Contributed and other surplus	143,983.78	143,983.78
3600	Retained earnings/deficit	162,131.21	(52,091.73) -411%
3620	Total shareholder equity	306,114.99	91,892.05 -411%
3640	Total liabilities and shareholder equity	702,077.98	283,881.08 147%

Statement of Retained earnings (deficit)

3660	Retained earnings/deficit - start		
3680	Net income/loss	162,131.21	162,131.21
3700	Dividends declared		
3720	Prior period adjustments		
3740	Other items affecting retained earnings		
3745	Interfund transfer		
3849	Retained earnings/deficit - end	162,131.21	162,131.21

Name of corporation.....
 Adagio Corporation, Inc.

Business Number.....

Taxation year-end
 2005-05-31

Balance Sheet Information

Assets		Liabilities	
Current		Current	
Cash and deposits	1000 127,317.07	Bank overdraft	2600
Accounts receivable	1060 162,769.79	Amounts payable and accrued liabilities	2620 368,545.28
Allowance for doubtful accounts	1061	Amounts payable to members of NPOs	2630
Amounts receivable from members of NPOs	1073	Taxes payable	2680 8,533.97
Inventories	1120	Short term debt	2700
Short term investments	1180	Due to shareholder(s)/director(s)	2780
Loans and notes receivable	1240	Due to related parties	2860
Due from shareholder(s)/director(s)	1300	Current portion of long term liability	2920
Due from/investment in related parties	1400	Other current liabilities	2960
Other current assets	1480	Total current liabilities	3139 <u>377,079.25</u>
Total current assets	1599 <u>290,086.86</u>		
Capital		Long term	
Land	1600	Long term debt	3140 10,000.00
Depletable assets	1620	Deferred income	3220
Accumulated amortization of depletable assets	1621	Deferred income taxes	3240
Buildings	1680	Due to shareholder(s)/director(s)	3260
Accumulated amortization of buildings	1681	Due to related parties	3300
Machinery, equipment, furniture, and fixtures	1740	Other long term liabilities	3320
Accumulated amortization of machinery, equipment, furniture, and fixtures	1741	Total long term liabilities	3450 <u>10,000.00</u>
Furniture and fixtures	1787 34,026.85	Amounts held in trust	3470
Accumulated amortization of furniture and fixtures	1788 (9,241.39)	Total liabilities	3499 <u>387,079.25</u>
Other tangible capital assets	1900	Shareholder equity	
Accumulated amortization of other tangible capital assets	1901	Common shares	3500
Total tangible capital assets	2008 <u>34,026.85</u>	Preferred shares	3520
Total accumulated amortization of tangible capital assets	2009 <u>(9,241.39)</u>	Contributed and other surplus	3540
Intangible assets	2010	Retained earnings/deficit	3600 162,131.21
Accumulated amortization of intangible assets	2011	Total shareholder equity	3620 <u>162,131.21</u>
Resource rights	2070	Total liabilities and shareholder equity	3640 <u>549,210.46</u>
Accumulated amortization of resource rights	2071		
Total intangible capital assets	2178	Statement of Retained earnings (deficit)	
Total accumulated amortization of intangible capital assets	2179	Retained earnings/deficit - start	3660 134,630.97
Long term		Net income/loss	3680 162,131.21
Due from shareholder(s)/director(s)	2180	Dividends declared	3700
Investment in joint venture(s)/partnership(s)	2200	Prior period adjustments	3720
Due from/investment in related parties	2240	Other items affecting retained earnings	3740
Long term investments	2300	Interfund transfer	3745
Long term loans	2360	Retained earnings/deficit - end	3849 <u>296,762.18</u>
Other long term assets	2420		
Total long term assets	2589		
Assets held in trust	2590		
Total assets	2599 <u>314,872.32</u>		

Name of corporation.....
 Adagio Corporation, Inc.

Business Number.....

Taxation year-end
 2005-05-31

Balance Sheet Information

Assets		Liabilities	
Current		Current	
Cash and deposits	1000	Bank overdraft	2600
Accounts receivable	1060	Amounts payable and accrued liabilities	2620
Allowance for doubtful accounts	1061	Amounts payable to members of NPOs	2630
Amounts receivable from members of NPOs	1073	Taxes payable	2680
Inventories	1120	Short term debt	2700
Short term investments	1180	Due to shareholder(s)/director(s)	2780
Loans and notes receivable	1240	Due to related parties	2860
Due from shareholder(s)/director(s)	1300	Current portion of long term liability	2920
Due from/investment in related parties	1400	Other current liabilities	2960
Other current assets	1480	Total current liabilities	3139
Total current assets	1599		
		Long term	
Capital		Long term debt	3140
Land	1600	Deferred income	3220
Depletable assets	1620	Deferred income taxes	3240
Accumulated amortization of depletable assets	1621	Due to shareholder(s)/director(s)	3260
Buildings	1680	Due to related parties	3300
Accumulated amortization of buildings	1681	Other long term liabilities	3320
Machinery, equipment, furniture, and fixtures	1740	Total long term liabilities	3450
Accumulated amortization of machinery, equipment, furniture, and fixtures	1741	Amounts held in trust	3470
Furniture and fixtures	1787	Total liabilities	3499
Accumulated amortization of furniture and fixtures	1788		
Other tangible capital assets	1900	Shareholder equity	
Accumulated amortization of other tangible capital assets	1901	Common shares	3500
Total tangible capital assets	2008	Preferred shares	3520
		Contributed and other surplus	3540
Total accumulated amortization of tangible capital assets	2009	Retained earnings/deficit	3600
		Total shareholder equity	3620
Intangible assets	2010		
Accumulated amortization of intangible assets	2011	Total liabilities and shareholder equity	3640
Resource rights	2070		
Accumulated amortization of resource rights	2071	Statement of Retained earnings (deficit)	
Total intangible capital assets	2178	Retained earnings/deficit - start	3660
		Net income/loss	3680
Total accumulated amortization of intangible capital assets	2179	Dividends declared	3700
		Prior period adjustments	3720
Long term		Other items affecting retained earnings	3740
Due from shareholder(s)/director(s)	2180	Interfund transfer	3745
Investment in joint venture(s)/partnership(s)	2200	Retained earnings/deficit - end	3849
Due from/investment in related parties	2240		
Long term investments	2300		
Long term loans	2360		
Other long term assets	2420		
Total long term assets	2589		
Assets held in trust	2590		
Total assets	2599		

Adagio Corporation, Inc.

Balance Sheet

For the 5 Period(s) Ending May 31 05

ASSETS

1000:1600-`	Assets	702,077.98
	Total Assets	<u>\$702,077.98</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

2000:2700-`	Liabilities	395,962.99
3000-`,3100-`	Shareholders' equity	143,983.78
4000:9000-`	Profit (Loss) for period	162,131.21
	Total Liabilities	<u>\$702,077.98</u>

The collapsed form of the sheet summarizes all accounts into a single line.

Adagio Corporation, Inc.
Balance Sheet
For the 1 Period(s) Ending January 31, 2005

Unaudited

ASSETS

Current assets:

Cash-Operating Account SIGNET	18,932.36
Accounts receivable	55,171.84
Inventory	249,454.28
Total current assets	<u>\$323,558.48</u>

Fixed assets:

Furniture & fixtures	28,476.85
Less accumulated depreciation	8,132.27
	<u>\$20,344.58</u>

\$343,903.06

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Accounts payable - Trade	165,531.03
Sales Taxes Payable	1,897.45
Note Payable	10,000.00
Total current liabilities	<u>\$177,428.48</u>

Shareholders' equity:

Retained Earnings	143,983.78
Profit (loss) for period	22,490.80
Total shareholders' equity	<u>\$166,474.58</u>

\$343,903.06

Note:

The bank account has a debit balance and therefore shows up as an Asset. The formula ADDEBIT() returns only debit balances. Zero suppression hides the row from the Liabilities section of the balance sheet.

Adagio Corporation, Inc.
Balance Sheet
For the 2 Period(s) Ending February 28, 2005

Unaudited

ASSETS

Current assets:

Accounts receivable	73,546.38
Inventory	233,994.24
Total current assets	\$307,540.62

Fixed assets:

Furniture & fixtures	28,476.85
Less accumulated depreciation	8,471.28
	\$20,005.57
	\$327,546.19

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Cash-Operating Account SIGNET	Line of Credit	5,275.01
Accounts payable - Trade		117,581.73
Sales Taxes Payable		941.75
Note Payable		10,000.00
Total current liabilities		\$133,798.49

Shareholders' equity:

Retained Earnings	143,983.78
Profit (loss) for period	49,763.92
Total shareholders' equity	\$193,747.70
	\$327,546.19

Note:

The bank has a credit balance and therefore is displayed in the Liabilities section. Using ADCREDIT() returns only credit balances. Zero suppression automatically hides the row in the correct section.

Adagio Corporation, Inc.

Balance Sheets

May 31, 2005 and 2004

	2005	2004
Assets		
Current Assets:		
Cash and short-term deposits	\$ 127,317.07	\$ 69,623.13
Accounts receivable	162,769.79	19,339.50
GST recoverable	0.00	0.00
Prepaid expenses	0.00	0.00
Other current assets	387,205.66	171,861.78
	677,292.52	260,824.41
Property and equipment (note 3)	24,785.46	23,056.67
	\$ 702,077.98	\$ 283,881.08

Liabilities and Members' Equity

Current liabilities:		
Account payable and accrued liabilities	395,962.99	191,989.03
Members equity	306,114.99	91,892.05
	702,077.98	283,881.08

Appropriations (note 4)

See accompanying notes to financial statements

Approved on behalf of the Board

Director

Director