

**Adagio Corporation, Inc.**  
**Trial Balances for Previous Year**  
**As of May 31 05**

|                                | Bal. Opening of Last Year |                     | Bal. LY Before Close |                     | Bal. LY After Close |                     |
|--------------------------------|---------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
|                                | 01-Jan-04                 |                     | 31-May-04            |                     | 31-May-04           |                     |
|                                | Debit                     | Credit              | Debit                | Credit              | Debit               | Credit              |
| Cash-Operating Account SIGNET  | 128,099.52                |                     | 69,623.13            |                     | 69,623.13           |                     |
| Accounts receivable            | 30,019.97                 |                     | 19,339.50            |                     | 19,339.50           |                     |
| Inventory                      |                           |                     | 171,861.78           |                     | 171,861.78          |                     |
| Furniture & fixtures           | 28,476.85                 |                     | 28,476.85            |                     | 28,476.85           |                     |
| Accumulated depreciation - F&F |                           | 3,725.14            |                      | 5,420.18            |                     | 5,420.18            |
| Accounts payable - Trade       |                           | 3,161.41            |                      | 171,861.78          |                     | 171,861.78          |
| Federal Withholding Payable    |                           | 2,767.34            |                      |                     |                     |                     |
| State Payroll Withholding      |                           | 3,547.61            |                      |                     |                     |                     |
| Unemployment Taxes Payable     |                           | 306.81              |                      |                     |                     |                     |
| Sales Taxes Payable            |                           | 556.99              |                      | 127.25              |                     | 127.25              |
| Note Payable                   |                           | 25,050.00           |                      | 20,000.00           |                     | 20,000.00           |
| Retained Earnings              |                           | 143,983.78          |                      | 143,983.78          |                     | 143,983.78          |
| Revenues - Consulting          |                           |                     |                      | 15,805.00           |                     | 15,805.00           |
| Product Sales                  |                           |                     |                      | 13,475.00           |                     | 13,475.00           |
| Freight Revenue                |                           |                     |                      | 250.00              |                     | 250.00              |
| Subcontracted Consultants      |                           |                     | 11,272.67            |                     | 11,272.67           |                     |
| COS - Software                 |                           |                     | 3,775.68             |                     | 3,775.68            |                     |
| Accounting fees                |                           |                     | 858.00               |                     | 858.00              |                     |
| Advertising                    |                           |                     | 4,970.85             |                     | 4,970.85            |                     |
| Communications                 |                           |                     | 8,132.19             |                     | 8,132.19            |                     |
| Computer expenses              |                           |                     | 1,267.02             |                     | 1,267.02            |                     |
| Consultant Salaries            |                           |                     | 10,000.00            |                     | 10,000.00           |                     |
| Contributions                  |                           |                     | 346.06               |                     | 346.06              |                     |
| Depreciation expense           |                           |                     | 1,695.04             |                     | 1,695.04            |                     |
| Dues and subscriptions         |                           |                     | 366.70               |                     | 366.70              |                     |
| Insurance - Health             |                           |                     | 6,269.20             |                     | 6,269.20            |                     |
| Legal fees                     |                           |                     | 1,919.45             |                     | 1,919.45            |                     |
| Meals & Entertainment          |                           |                     | 1,083.97             |                     | 1,083.97            |                     |
| Miscellaneous expense          |                           |                     | 497.40               |                     | 497.40              |                     |
| Office Expense                 |                           |                     | 1,097.40             |                     | 1,097.40            |                     |
| Freight                        |                           |                     | 2,543.04             |                     | 2,543.04            |                     |
| Promotional                    |                           |                     | 1,866.64             |                     | 1,866.64            |                     |
| Publications & Books           |                           |                     | 460.97               |                     | 460.97              |                     |
| Sales and Use Tax Expense      |                           |                     | 7,000.00             |                     | 7,000.00            |                     |
| Software & Demo's              |                           |                     | 8,838.76             |                     | 8,838.76            |                     |
| Training & Seminars            |                           |                     | 5,789.99             |                     | 5,789.99            |                     |
| Travel Expenses                |                           |                     | 1,055.34             |                     | 1,055.34            |                     |
| Utilities                      |                           |                     | 4,012.62             |                     | 4,012.62            |                     |
| <b>Report totals</b>           | <b>\$186,596.34</b>       | <b>\$183,099.08</b> | <b>\$374,420.25</b>  | <b>\$370,922.99</b> | <b>\$374,420.25</b> | <b>\$370,922.99</b> |
| <b>Net Income</b>              |                           |                     | <b>\$55,588.99</b>   |                     | <b>\$55,588.99</b>  |                     |