

Solar Direct

Financial Statements **August 31, 2007**

"UNAUDITED"

Unaudited Balance Sheet*August 31, 2007*

	2007	2006
Assets		
Current Assets		
Accounts receivable	\$ 115,051	\$ 261,771
Prepaid expenses	4,006	-
Inventory	117,445	-
	236,502	261,771
Fixed Assets		
Fixed Assets (note 3)	22,595	33,125
	\$ 259,097	\$ 294,896
Liabilities		
Current Liabilities		
Bank indebtedness	\$ 52,199	\$ 45,593
Accounts payable & accrued liabilities	233,394	207,282
Deferred Revenue	10,875	-
Short term loans	100,431	49,064
	396,899	301,939
Long term liabilities		
Long term debt (note 4)	201,029	21,245
	597,928	323,184
Retained earnings		
Share capital (note 5)	200	200
Retained earnings	(339,031)	(28,488)
	(338,831)	(28,288)
	\$ 259,097	\$ 294,896

The accompanying notes are an integral part of these financial statements

Approved by the board

 Director

Unaudited Statement of Operations & Retained Earnings*for the year ended August 31, 2007*

	2007	2006
Revenue		
Sales	\$ 2,541,374	\$ 2,703,899
Interest and other income	7,810	22,073
	2,549,184	2,725,972
Cost of Sales		
Materials	1,589,543	1,575,565
Labor	189,552	262,596
	1,779,094	1,838,161
	770,089	887,811
Expenses		
Selling	\$ 198,195	\$ 211,578
Administrative	826,787	612,076
Financing	55,650	45,776
	1,080,632	869,430
Net Income(loss) for the period	(310,543)	18,382
Retained earnings (deficit) , beginning of period	(28,488)	(46,870)
Retained earnings, end of period	\$ (339,031)	\$ (28,488)

The accompanying notes are an integral part of these financial statements

Unaudited Statement of Expenses*for the year ended August 31, 2007*

	2007	2006
Selling Expenses		
Marketing	\$ 189,738	\$ 198,445
Bad debts	251	6,859
Meals & Entertainment	8,206	6,274
	\$ 198,195	\$ 211,578
Administrative Expenses		
Administrative salaries and wages	\$ 623,749	\$ 432,829
Car Expenses	9,395	1,107
Consulting Fees	30,600	63,883
Contributions	555	-
Depreciation & Amortization	13,530	16,251
Dues & Subscriptions	1,533	4,057
Insurance	16,885	13,178
License fees	36,893	6,554
Office Supplies	9,117	8,846
Professional fees	4,399	1,711
Rent	23,523	21,528
Repairs and maintenance	12,019	12,639
Telephone	36,224	22,019
Utilities	8,366	7,475
	\$ 826,787	\$ 612,076
Financial Expenses		
Bank charges	\$ 11,453	\$ 23,875
Loan interest & late fees	44,197	21,900
	\$ 55,650	\$ 45,776

The accompanying notes are an integral part of these financial statements

Notes to Unaudited Financial Statements*for the year ended August 31, 2007***1. Nature of Business**

The Company is engaged in sales and installation of renewable energy products.

2. Significant Accounting Policies

These Financial Statements have not been prepared in accordance with generally accepted accounting principles.

Fixed assets

Fixed assets are stated at cost. Depreciation is recorded on a declining balance basis at the following annual rates:

Office Equipment	20%
Computers	30%
Furniture and fixtures	20%
Vehicles	30%

3. Fixed Assets

				2007	2006
				Net Book	Net Book
	Cost	Accumulated Depreciation		Value	Value
Computer	\$ 45,861	29,847	\$	16,015	\$ 25,187
Vehicle	20,718	17,679		3,039	1,186
Furniture & fixtures	4,376	4,165		211	836
Tools	7,123	3,793		3,330	5,916
	78,078	55,484	\$	22,595	\$ 33,125

4. Long term loan

The Company has a demand loan bearing interest at 10%, due in 2010.

5. Share Capital**Authorized**

Unlimited

Common shares

Issued

				2007	2006
100 Common shares			\$	200	\$ 200