

Solar Direct

Financial Statements **August 31, 2008**

UNAUDITED

Unaudited Balance Sheet*August 31, 2008*

	2008	2007
Assets		
Current Assets		
Cash and equivalents	\$ 40,733	\$ -
Accounts receivable	49,852	115,051
Prepaid expenses	2,077	4,006
Inventory	181,951	117,445
	274,614	236,502
Fixed Assets		
Fixed Assets (note 3)	39,969	22,595
	\$ 314,583	\$ 259,097
Liabilities		
Current Liabilities		
Bank indebtedness	\$ -	\$ 52,199
Accounts payable & accrued liabilities	185,254	233,394
Deferred revenue	227,598	10,875
	412,852	296,467
Long term liabilities		
Long term debt (note 4)	282,485	301,460
	695,337	597,928
Retained earnings		
Share capital (note 5)	200	200
Retained earnings	(380,954)	(339,031)
	(380,754)	(338,831)
	\$ 314,583	\$ 259,097

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, 2008*

	2008	2007
Revenue		
Sales	\$ 3,251,534	\$ 2,541,374
Interest and other income	6,835	7,810
	3,258,369	2,549,184
Cost of Sales		
Materials	2,422,302	1,779,094
Labor	450,098	623,749
	2,872,399	2,402,844
	385,970	146,340
Expenses		
Selling	\$ 184,891	\$ 198,195
Administrative	201,845	203,038
Financing	41,156	55,650
	427,892	456,882
Net Income(loss) for the period	(41,923)	(310,543)
Retained earnings (deficit) , beginning of period	(339,031)	(28,488)
Retained earnings, end of period	\$ (380,954)	\$ (339,031)

The accompanying notes are an integral part of these financial statements

Unaudited Statement of Expenses*for the year ended August 31, 2008*

	2008	2007
Selling Expenses		
Marketing	\$ 182,422	\$ 189,738
Bad debts	1,146	251
Travel & entertainment	1,323	8,206
	\$ 184,891	\$ 198,195
Administrative Expenses		
Business taxes	\$ 1,921	\$ 20
Car expenses	10,751	9,395
Consulting fees	30,760	30,600
Contributions	500	555
Depreciation & amortization	18,119	13,530
Dues & subscriptions	873	1,533
Insurance	16,397	16,885
License fees	43,771	36,893
Office Supplies	8,116	9,096
Professional fees	295	4,399
Rent	23,700	23,523
Repairs and maintenance	4,235	7,296
Small tools	3,950	4,723
Telephone	29,875	36,224
Training & development	95	-
Utilities	8,487	8,366
	\$ 201,845	\$ 203,038
Financial Expenses		
Bank charges	\$ 16,127	\$ 11,453
Loan interest & late fees	25,029	44,197
	\$ 41,156	\$ 55,650

The accompanying notes are an integral part of these financial statements

Notes to Unaudited Financial Statements*for the year ended August 31, 2008***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

				2008		2007
	Cost	Accumulated Depreciation		Net Book Value		Net Book Value
Vehicles	\$ 35,127	8,017	\$	27,110	\$	3,039
Computer & telephone equipment	45,861	39,019		6,842		16,015
Furniture and fixtures	4,376	4,376		-		211
Tools	11,396	5,379		6,017		3,330
	96,760	56,791	\$	39,969	\$	22,595

4. Long term loan

The company's long term debt has an approximate interest rate of 10% payable to various parties.

5. Share Capital**Authorized**

200 Trust Units

Issued

		2008		2007
200 Trust Units	\$	200	\$	200