

CASH PLUS, INC.
EXHIBIT "C"
FINANCIAL STATEMENTS

Cash Plus Inc.
Annual Profit & Loss (Accrual)
October 2004 through September 2005

Oct '04 - Sep 05

Ordinary Income/Expense
Income

Revenues

301 Franchise Fees	401,000.00
302 Transfer Fees	3,500.00
303 Royalty Fees	638,058.40
304 Corporate Services	14,871.50
305 Convention and Seminar Reve	11,006.00
307 Ad Fund	1,024.59
391 Debit Card Fees	819.27
392 Wire commission	3,693.38
399 Other Revenue	17,360.91
400 Money Order Rebate	11,969.42

Total Revenues

1,103,303.47

Total Income

1,103,303.47

Expense

Administrative

400 Payroll

401 Salaries	249,213.61
402 Bonus	3,000.00
403 Benefits	1,697.90
404 Workers Compensation	3,308.51
405 Taxes	20,454.17
406 Payroll Processing	5,492.75

Total 400 Payroll

283,166.94

407 Supplies and Printing

-38.75

408 Travel

Air Travel	9,023.42
Auto	27,894.71
Hotel	7,984.81

Total 408 Travel

44,902.94

410 Meats and Entertainment

410 Entertainment	2,868.37
410 Meals	15,388.49

Total 410 Meals and Entertainment

18,256.86

411 Outside Services

Accounting Services	17,260.00
411 Outside Services - Other	284.70

Total 411 Outside Services

17,544.70

413 Alarm Expense

225.00

450 Employee Recruiting

100.00

452 Dues and Subscriptions

3,316.00

453 Equipment Lease

8,971.42

454 Insurance Officer

14,086.44

456 Bank Charges

ACH monthly Charges	12.50
456 Bank Charges - Other	486.29

Total 456 Bank Charges

498.79

457 Legal and Professional

43,685.20

458 Licenses

801.15

459 Maintenance and Repairs

Computer System Repairs	
Computer Equipment	12,448.28
Computer System Repairs - Other	8,846.66

Total Computer System Repairs

21,294.94

459 Maintenance and Repairs - Other

5,917.00

Total 459 Maintenance and Repairs

27,211.94

460 Conference Expense

27,051.71

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Cash Plus Inc.
Annual Profit & Loss (Accrual)
October 2004 through September 2005

	Oct '04 - Sep 05
461 Office Expense	
Furniture	0.88
Uniforms	655.48
461 Office Expense - Other	773.58
Total 461 Office Expense	1,429.94
462 Postage	10,454.77
463 Taxes	
463A Canadian Taxes	635.02
463 Taxes - Other	-6,488.39
Total 463 Taxes	-5,853.37
464 Rent	
Base Rent	58,039.31
CAM	4,284.38
Insurance	1,179.00
Property Tax	5,430.00
Total 464 Rent	68,932.69
465 Telephone	13,980.43
467 Office Supplies	
467a Due from Spectrum	73.30
467 Office Supplies - Other	14,563.43
Total 467 Office Supplies	14,636.73
468 Interest Expense	11,449.20
469 Internet	100.00
470 Insurance	815.19
471 Licensing Fees (Todd)	58,995.78
Utilities	
Gas and Electric	4,162.29
Water	24.00
Total Utilities	4,186.29
Total Administrative	668,907.99
Franchise Development Expenses	
402 Newsletter Contest	795.00
405 Web page Company survey	3,115.00
Franchise Development	
406 Trade Show Cost	3,798.00
407 Supplies and Printing	3,332.06
408 Travel	
Air Travel	6,915.27
Auto	3,706.48
Entertainment	3,086.19
Hotel	9,446.39
Meals	7,417.87
Total 408 Travel	30,572.20
411 Outside Services	46,578.35
413 Discovery Day	415.98
499 Advertising	2,851.30
Total Franchise Development	87,547.89
Franchise Operations	
404 Employee Benefits	4,623.69
405 Website maintenance	4,637.65
430 Training	
Franchise Training Video	2,280.00
Total 430 Training	2,280.00
431 Franchise Opening	1,500.00
432 Convention Seminar	4,500.00
433 FACS Advisory Council	6,547.22
499 Other	0.00

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Cash Plus Inc.
Annual Profit & Loss (Accrual)
October 2004 through September 2005

	<u>Oct '04 - Sep 05</u>
Total Franchise Operations	<u>24,088.56</u>
Total Franchise Development Expenses	115,546.45
Marketing	
402 Marketing Videos	7,002.75
402C Commission Franchise Sale	185,000.00
405 Franchise Advertising	28,302.22
406 telephone	274.07
407 Supply and Printing	744.75
408 Travel	
Air	100.00
Auto	1,616.38
Hotel	561.97
408 Travel - Other	1,713.73
Total 408 Travel	<u>3,992.08</u>
409 Promotions-new franchise	500.00
410 Meals and Entertainment	4,665.41
411 Outside Services	73,109.25
Marketing - Other	182.01
Total Marketing	<u>303,772.54</u>
Total Expense	<u>1,088,226.98</u>
Net Ordinary Income	<u>15,076.49</u>
Net Income	<u><u>15,076.49</u></u>

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Cash Plus Inc.
Balance Sheet
As of September 30, 2005

	<u>Sep 30, 05</u>
ASSETS	
Current Assets	
Checking/Savings	
First Bank & Trust - New	-3,362.09
Merchants Bank of CA	3,927.00
Total Checking/Savings	564.91
Accounts Receivable	
Accounts Receivable	244,480.01
Allowance For Doubtful Accts	-12,652.00
Total Accounts Receivable	231,828.01
Other Current Assets	
Advances to Officers	262,560.41
Cash on Hand	-6.34
CP Mastercard	-71.51
Deposits	-4,861.12
Employee Advances	7,541.85
Supplies On Hand	3,250.00
Total Other Current Assets	268,413.29
Total Current Assets	500,806.21
Fixed Assets	
Accumulated Depr- Equipment	-34,780.00
Accumulated Depr- Leasehold	-2,344.00
Accumulated Depr-Furniture	-17,278.00
Equipment	76,728.46
Furniture and Equipment	29,543.18
Leasehold Improvements	7,110.97
Total Fixed Assets	59,080.61
Other Assets	
Amort - Organization Cost	-113,209.00
Organization Costs	113,209.67
Total Other Assets	0.67
TOTAL ASSETS	<u>559,887.49</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-33,108.36
CPA FIRM	62,668.40
Total Accounts Payable	29,560.04
Other Current Liabilities	
Accrued Settlement Cost	20,000.02
Current Maturities	12,816.15
Total Other Current Liabilities	32,816.17
Total Current Liabilities	62,376.21
Long Term Liabilities	
C/J Wells Loan	22,000.00
Katella Loan	-80,000.00
Less - Current Maturities	-12,816.15
Loans	43,870.36
Notes Payable-Bank Of the West	43,416.24
Notes Payable-Manifest Group	-0.20
Total Long Term Liabilities	16,470.25
Total Liabilities	78,846.46
Equity	
Common Stock	10,000.00

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Cash Plus Inc.
Balance Sheet
As of September 30, 2005

	<u>Sep 30, 05</u>
Opening Bal Equity	-2,803.19
Paid in Capital	155,143.55
Retained Earnings	303,624.18
Net Income	15,076.49
Total Equity	<u>481,041.03</u>
TOTAL LIABILITIES & EQUITY	<u>559,887.49</u>

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CONRAD AND
ASSOCIATES, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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IRVINE, CALIFORNIA 92612
(949) 474-2020
Fax (949) 263-5520

December 15, 2004

Department of Corporations
State of California
320 West Fourth Street, Suite 750
Los Angeles, CA 90013-1105

RE: Use of Audited Financial Statements and Report in California Franchise Offering
Circular and Registration of Cash Plus, Inc. a California corporation

Ladies and Gentlemen:

This letter is to authorize Cash Plus, Inc., a California corporation, to use the attached audited financial statements and report dated December 15, 2004 as part of its franchise offering circular to be used in connection with its franchise registration in the State of California or any other state.

Very truly yours,

Conrad and Associates, L.L.P.

Conrad and Associates, L.L.P.

CASH PLUS, INC.

Financial Statements

Years ended September 30, 2004 and 2003
(With Independent Auditors' Report Thereon)

INDEPENDENT AUDITORS' REPORT

To the Stockholders of
Cash Plus, Inc.

We have audited the balance sheet of Cash Plus, Inc. as of September 30, 2004 and 2003, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cash Plus, Inc. as of September 30, 2004 and 2003, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Conrad and Associates, L.L.P.

December 15, 2004

CASH PLUS, INC.
BALANCE SHEETS
SEPTEMBER 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
CURRENT ASSETS		
Cash	\$ 10,970	\$ 1,947
Cash - Ad Fund (Note 8)	117,951	7,118
Accounts Receivable, Net (Note 2)	84,471	94,606
Note Receivable - Stockholders (Note 7)	126,152	135,400
Loans	0	9,000
Supplies on Hand	3,250	3,250
Prepaid Income Taxes	9,430	0
Employee Advances	1,517	4,717
TOTAL CURRENT ASSETS	<u>353,741</u>	<u>256,038</u>
PROPERTY AND EQUIPMENT		
Office Equipment	80,824	76,351
Office Furniture	29,643	29,643
Leasehold Improvements	7,111	7,111
	<u>117,578</u>	<u>113,105</u>
Less: Accumulated Depreciation	(104,406)	(87,716)
NET PROPERTY AND EQUIPMENT	<u>13,172</u>	<u>25,389</u>
OTHER ASSETS		
Organization Costs	113,209	113,209
Accumulated Amortization	(113,209)	(113,209)
Deposits	5,144	4,844
TOTAL OTHER ASSETS	<u>5,144</u>	<u>4,844</u>
TOTAL ASSETS	<u>\$ 372,057</u>	<u>\$ 286,271</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
BALANCE SHEETS
SEPTEMBER 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 47,072	\$ 19,955
Current Portion of Long-Term Liabilities	0	16,194
Income Taxes Payable	1,790	5,611
Accrued Payable - Ad Fund (Note 8)	117,951	7,118
Accrued Settlement Costs (Note 6)	4,000	0
TOTAL CURRENT LIABILITIES	<u>170,813</u>	<u>48,878</u>
 LONG-TERM LIABILITIES		
Capital Lease Payable - Bank of the West (Note 4)	0	16,194
Less: Current Portion of Long Term Liabilities	0	(16,194)
Net Long-Term Liabilities	0	0
 TOTAL LIABILITIES	<u>170,813</u>	<u>48,878</u>
 STOCKHOLDERS' EQUITY		
Common Stock, 10,000 Shares Authorized 1,000 Shares Issued and Outstanding: \$10 Stated Value	10,000	10,000
Additional Paid in Capital	155,144	155,144
Retained Earnings	36,100	72,249
TOTAL STOCKHOLDERS' EQUITY	<u>201,244</u>	<u>237,393</u>
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 372,057</u>	<u>\$ 286,271</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
STATEMENTS OF OPERATIONS
YEARS ENDED SEPTEMBER 30, 2004 AND 2003

	<u>2004</u>	<u>%</u>	<u>2003</u>	<u>%</u>
INCOME				
Franchise Fees	\$ 165,638	16.93	\$ 280,424	24.58
Royalty Fees	812,821	83.07	860,321	75.42
TOTAL INCOME	<u>978,459</u>	<u>100.00</u>	<u>1,140,745</u>	<u>100.00</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES				
Advertising	87,242	8.92	52,145	4.57
Bad Debt	23,563	2.41	95,408	8.36
Bank Charges	420	0.04	386	0.03
Commissions	44,300	4.53	112,500	9.86
Contract Labor	321,594	32.87	319,899	28.04
Convention	9,360	0.96	10,259	0.90
Donations	0	0.00	390	0.03
Depreciation & Amortization	16,690	1.71	16,295	1.43
Dues & Subscriptions	13,037	1.33	1,692	0.15
Entertainment & Meals	25,863	2.64	17,619	1.54
Equipment Rental	10,788	1.10	10,861	0.95
Franchise Opening Costs	0	0.00	1,950	0.17
Franchise Advisory Council	0	0.00	2,208	0.19
Insurance	1,330	0.14	3,999	0.35
Life Insurance	14,358	1.47	15,760	1.38
Legal & Accounting	67,982	6.95	31,355	2.75
Licensing Fee (Note 9)	57,758	5.90	58,931	5.17
Office Expense	38,694	3.95	47,021	4.12
Outside Services	61,718	6.31	53,059	4.65
Rent (Note 5 & 7)	68,882	7.04	88,597	7.77
Repairs & Maintenance	16,291	1.66	20,612	1.81
Payroll Processing	0	0.00	19,034	1.67
Penalties	481	0.05	375	0.03
Printing	14,706	1.50	19,396	1.70
Taxes	884	0.09	10,338	0.91
Training	1,700	0.17	15,000	1.31
Telephone & Utilities	15,755	1.61	18,927	1.66
Travel	74,518	7.62	60,653	5.32
Wildcard System	0	0.00	899	0.08
	<u>987,914</u>	<u>100.97</u>	<u>1,105,568</u>	<u>96.92</u>
OPERATING INCOME (LOSS)	<u>\$ (9,455)</u>	<u>-0.97</u>	<u>\$ 35,177</u>	<u>3.08</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
STATEMENTS OF OPERATIONS
YEARS ENDED SEPTEMBER 30, 2004 AND 2003

	<u>2004</u>	<u>%</u>	<u>2003</u>	<u>%</u>
OTHER INCOME				
Interest Income	\$ 8,253	0.84	\$ 10,507	0.92
	<u>8,253</u>	<u>0.84</u>	<u>10,507</u>	<u>0.92</u>
OTHER EXPENSES				
Interest Expense	8,147	0.83	8,619	0.76
Settlement Costs	26,000	2.66	0	0.00
	<u>34,147</u>	<u>3.49</u>	<u>8,619</u>	<u>0.76</u>
INCOME (LOSS) BEFORE INCOME TAX	<u>(35,349)</u>	<u>-3.61</u>	<u>37,065</u>	<u>3.25</u>
Provision for Income Tax (Note 3)	800	0.08	16,806	1.47
NET INCOME (LOSS)	<u>\$ (36,149)</u>	<u>-3.69</u>	<u>\$ 20,259</u>	<u>1.78</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED SEPTEMBER 30, 2004 AND 2003

	Common Stock	Additional Paid in Capital	Retained Earnings	Total
Balance at September 30, 2002	\$ 10,000	\$ 155,144	\$ 51,990	\$ 217,134
2003 Net Income			20,259	20,259
Balance at September 30, 2003	10,000	155,144	72,249	237,393
2004 Net Loss			(36,149)	(36,149)
Balance at September 30, 2004	<u>\$ 10,000</u>	<u>\$ 155,144</u>	<u>\$ 36,100</u>	<u>\$ 201,244</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (36,149)	\$ 20,259
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	16,690	16,295
Changes in Operating Assets & Liabilities:		
Decrease (Increase) in:		
Accounts Receivable	10,135	3,211
Employee Advances	3,200	(1,417)
Supplies on Hand	(9,430)	-
Deposits	(300)	(3,494)
Decrease (Increase) in:		
Accounts Payable	27,117	2,674
Accrued Payable - Ad Fund	110,833	(69,697)
Income Taxes Payable	(3,821)	(9,208)
Accrued Expenses	4,000	(31,368)
Net Cash Provided (Used) by Operating Activities	<u>122,275</u>	<u>(72,745)</u>
INVESTING ACTIVITIES:		
Purchases of Property & Equipment	<u>(4,473)</u>	<u>(2,500)</u>
Net Cash Used in Investing Activities	<u>(4,473)</u>	<u>(2,500)</u>
FINANCING ACTIVITIES:		
Repayment of Capital Lease Obligations	(16,194)	(14,406)
Proceeds from Stockholder - Note Receivable - Stockholder	9,000	-
Advances to Stockholder - Note Receivable - Stockholder	9,248	5,693
Net Cash Provided (Used) by Financing Activities	<u>2,054</u>	<u>(8,713)</u>
Increase (Decrease) in Cash and Cash Equivalents	119,856	(83,958)
Cash and Cash Equivalents at Beginning of Year	9,065	93,023
Cash and Cash Equivalents at End of Year	<u>\$ 128,921</u>	<u>\$ 9,065</u>
SUPPLEMENTAL INFORMATION:		
Cash Paid for Interest Expense	\$ 8,147	\$ 8,619
Cash Paid for Income Taxes	\$ 9,240	\$ 27,613

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004 AND 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cash Plus, Inc. (the Company) was first incorporated in the State of Delaware on December 14, 1984. The Company was later re-incorporated in California on April 16, 1985.

The Company's business is to sell individual franchises for check cashing; payday advances along with other related services and development rights for multiple franchises in specific geographic areas.

The Company sells franchises throughout the United States, however, sales to the West Coast represents the major portion of their business.

Revenue Recognition

The Company receives an initial franchise fee from each franchise sale and continuing royalty fees from operating franchises over the life of the franchise. The Company recognizes initial franchise fees as revenue upon acceptance of the contract and when substantial performance has occurred. The estimated costs of providing the initial services to franchises are accrued when the revenue is recognized. Continuing royalty fees are considered earned when they become due from the franchisee.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. The federal government only insures deposits up to \$100,000 per institution. As of September 30, 2004, the Company had deposits in excess of federally insured limits of \$36,444.

Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is accounted for on the straight-line method for financial reporting purposes over the estimated useful lives of the assets, which range from 5 to 7 years. Depreciation expense for the years ended September 30, 2004 and 2003 amounted to \$16,690 and \$16,295 respectively.

For federal income tax purposes, depreciation is computed using the modified accelerated cost recovery system.

CASH PLUS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004 AND 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Organization Costs

Organization costs are amortized on a straight-line basis over 5 years. Organization costs were fully amortized at September 30, 2001.

Advertising Cost

All costs associated with advertising and promotion are expensed in the year incurred.

Income Tax

Income taxes have been provided using the liability method in accordance with Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The provision for income tax represents the total of income tax paid or payable for the current year, plus the change in deferred tax during the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable represents amounts due from franchisees under contract. The amounts consists of:

	<u>2004</u>	<u>2003</u>
Accounts Receivable	\$ 99,471	\$ 109,606
Less: Allowance for doubtful accounts	(15,000)	(15,000)
Accounts receivable - net	<u>\$ 84,471</u>	<u>\$ 94,606</u>

The Company periodically reviews its allowance for doubtful accounts and makes adjustments based on its history of collections. The Company uses the direct write-off method when an account has been determined to be completely uncollectible.

CASH PLUS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004 AND 2003

NOTE 3 – INCOME TAX

The provision for income tax consists of the following at September 30, 2004 and 2003:

	2004	2003
Current federal income tax	\$ 0	\$ 10,801
Current state income tax	800	6,005
	\$ 800	\$ 16,806

NOTE 4 – CAPITAL LEASES PAYABLE

The following is a list of the Company's capital leases payable at September 30, 2004 and 2003:

	2004	2003
Capital Lease Payable to Bank of the West, payable in monthly installments of \$1,437 including interest at 11.75%, due October 2004, secured by office equipment and furniture.	\$ 0	\$ 17,243
Future minimum lease payments	0	17,243
Less: interest portion	(0)	(1,049)
Present value of net minimum lease payments	0	16,194
Less: current portion of long-term liabilities	(0)	(16,194)
Long-Term Capital Lease Obligation	\$ 0	\$ 0

During the year ended September 30, 2004, the capital lease payable to Bank of the West was paid off. Therefore, there are no future minimum lease payments due under capital leases.

NOTE 5 – COMMITMENTS

During June 2004, the Company signed a new lease for the premises at 3002 Dow Avenue, Suite 120, Tustin, California, which commenced on September 1, 2004 and expires August 31, 2008. Total rents for the years ended September 30 2004 and 2003, were as follows:

	2004	2003
Office Lease	\$68,882	\$63,397
Office Facility	0	18,000
Vehicle	0	7,200
	\$68,882	\$88,597

CASH PLUS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004 AND 2003

NOTE 5 – COMMITMENTS (continued)

Minimum future obligations on the rental agreement for the years ending September 30, 2004 and 2003 are as follows:

	2004		2003
2005	\$ 58,128	2004	\$ 57,705
2006	58,516	Thereafter	0
2007	59,688		\$ 57,705
2008	39,528		
Thereafter	0		
	\$ 215,860		

NOTE 6 – ACCRUED SETTLEMENT COSTS

During October 2003, the Company entered into a settlement agreement with a former franchisee. The agreement called for an initial payment of \$14,000 followed by six monthly installments of \$2,000. As of September 30, 2004, the total outstanding balance of the settlement was \$4,000.

NOTE 7 – RELATED PARTY TRANSACTIONS

Periodically, the Company advances funds to the stockholders and/or their related entities and the stockholders loan funds to the Company. At September 30, 2004 and 2003, the Company has a note receivable due from its stockholder of \$126,152 and \$135,400 respectively. The note is unsecured with interest thereon at 7% per annum and payable upon demand.

The stockholders of the Company own a total of 60 percent of Spectrum Franchise Group, Inc. Spectrum owns three Cash Plus stores that are operated by the Company's stockholders.

During January 2001, the Company entered into an office facility rental agreement with its stockholders. Rent expense under this agreement for September 30, 2004 and 2003 totaled \$0 and \$18,000 respectively (see Note 5).

On October 1, 2000, an automobile rental agreement was signed where the Company is to rent two automobiles from its stockholders for business usage. The Company is to pay its stockholders monthly payments for the two vehicles. Rent expense under this agreement for September 30, 2004 and 2003 totaled \$0 and \$7,200 respectively (see Note 5).

CASH PLUS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004 AND 2003

NOTE 8 – ADVERTISING FUND

As of October 31, 2000, the Company established an advertising fund in which the Franchisees shall contribute for advertising, promotion and marketing purposes an amount equal to not less than three percent (3%) of its monthly gross sales. All contributions and any earnings in the fund shall be used exclusively to meet any and all costs of maintaining, administering, researching, directing, and preparing advertising, promotional and marketing activities. As of September 30, 2004 and 2003, the balances in the advertising cash fund and the respective accrued payable were \$117,951 and \$7,118 respectively.

NOTE 9 – LICENSING FEES

As of October 1, 2001, the owner of Cash Plus, Inc. restructured the stock purchase agreement they had with the previous owner. As a result, the company entered into a licensing agreement with the previous owner. Beginning October 1, 2001 and ending March 18, 2011, the company is to pay a monthly licensing fee for use of the Cash Plus, Inc. name and business model. Total expense for licensing fees for the years ended September 30, 2004 and 2003 totaled \$57,758 and \$58,931 respectively.

NOTE 10 – FRANCHISE FEE REVENUE

During the years ended September 30, 2004 and 2003, the Company sold eleven and eight new franchises, respectively. During the years ended September 30, 2004 and 2003, there were sixty-six and sixty-five franchises in operation, respectively. As of September 30, 2004 and 2003, the Company owned three of the franchises. The Company did not purchase any franchises during the years ended September 30, 2004 and 2003.

INDEPENDENT AUDITORS' REPORT

To the Stockholders of
Cash Plus, Inc.

We have audited the balance sheet of Cash Plus, Inc. as of September 30, 2003, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Cash Plus, Inc. as of and for the year ended September 30, 2002, were audited by other auditors whose report, dated March 31, 2003, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cash Plus, Inc. as of September 30, 2003, and the statements of income, changes in stockholders' equity, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Conrad and Associate, L.L.P.

December 23, 2003

CASH PLUS, INC.
BALANCE SHEETS
SEPTEMBER 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
CURRENT ASSETS		
Cash	\$ 1,947	\$ 16,208
Cash - Ad Fund	7,118	76,815
Accounts Receivable, Net (Note 2)	94,606	97,817
Note Receivable - Stockholders (Note 7)	135,400	150,093
Loans	9,000	0
Supplies on Hand	3,250	3,250
Employee Advances	4,717	3,300
TOTAL CURRENT ASSETS	<u>256,038</u>	<u>347,483</u>
 PROPERTY AND EQUIPMENT		
Office Equipment	76,351	73,851
Office Furniture	29,643	29,643
Leasehold Improvements	7,111	7,111
	113,105	110,605
Less: Accumulated Depreciation	(87,716)	(71,421)
NET PROPERTY AND EQUIPMENT	<u>25,389</u>	<u>39,184</u>
 OTHER ASSETS		
Organization Costs	113,209	113,209
Accumulated Amortization	(113,209)	(113,209)
Deposits	4,844	1,350
TOTAL OTHER ASSETS	<u>4,844</u>	<u>1,350</u>
 TOTAL ASSETS	<u>\$ 286,271</u>	<u>\$ 388,017</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
BALANCE SHEETS
SEPTEMBER 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 19,955	\$ 17,281
Current Portion of Long Term Liabilities	16,194	14,406
Income Taxes Payable	5,611	14,819
Accrued Payable - Ad Fund	7,118	76,815
Accrued Settlement Costs	0	17,000
Accrued Salaries	0	14,368
TOTAL CURRENT LIABILITIES	48,878	154,689
 LONG-TERM LIABILITIES		
Capital Lease Payable - Bank of the West (Note 4)	16,194	30,600
Less: Current Portion of Long Term Liabilities	(16,194)	(14,406)
Net Long Term Liabilities	0	16,194
 TOTAL LIABILITIES	48,878	170,883
 STOCKHOLDERS' EQUITY		
Common Stock, 10,000 Shares Authorized 1,000 Shares Issued and Outstanding: \$10 Stated Value	10,000	10,000
Additional Paid in Capital	155,144	155,144
Retained Earnings	72,249	51,990
TOTAL STOCKHOLDERS' EQUITY	237,393	217,134
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 286,271	\$ 388,017

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
STATEMENT OF INCOME
YEARS ENDED SEPTEMBER 30, 2003 AND 2002

	<u>2003</u>	<u>%</u>	<u>2002</u>	<u>%</u>
INCOME				
Franchise Fees	\$ 280,424	24.58	\$ 166,503	17.27
Royalty Fees	860,321	75.42	797,857	82.73
TOTAL INCOME	<u>1,140,745</u>	<u>100.00</u>	<u>964,360</u>	<u>100.00</u>
 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES				
Advertising	52,145	4.57	20,093	2.08
Auto Expenses	0	0.00	15,777	1.64
Bad Debt	95,408	8.36	69,819	7.24
Bank Charges	386	0.03	125	0.01
Commissions	112,500	9.86	37,500	3.89
Contract Labor	319,899	28.04	318,102	32.99
Convention	10,259	0.90	2,856	0.30
Donations	390	0.03	2,000	0.21
Depreciation & Amortization	16,295	1.43	17,019	1.76
Dues & Subscriptions	1,692	0.15	10,166	1.05
Entertainment & Meals	17,619	1.54	14,881	1.54
Equipment Rental	10,861	0.95	11,276	1.17
Franchise Opening Costs	1,950	0.17	0	0.00
Franchise Advisory Council	2,208	0.19	0	0.00
Insurance	3,999	0.35	4,354	0.45
Life Insurance	15,760	1.38	8,667	0.90
Legal & Accounting	31,355	2.75	42,601	4.42
Licensing Fee	58,931	5.17	63,700	6.61
Office Expense	47,021	4.12	51,249	5.31
Outside Services	53,059	4.65	45,718	4.74
Rent (Note 5 & 7)	88,597	7.77	102,742	10.65
Repairs & Maintenance	20,612	1.81	9,905	1.03
Salaries & Wages	0	0.00	24,000	2.49
Payroll Processing	19,034	1.67	0	0.00
Penalties	375	0.03	0	0.00
Printing	19,396	1.70	0	0.00
Taxes	10,338	0.91	2,931	0.30
Training	15,000	1.31	0	0.00
Telephone & Utilities	18,927	1.66	16,205	1.68
Travel	60,653	5.32	29,255	3.03
Wildcard System	899	0.08	0	0.00
	<u>1,105,568</u>	<u>96.92</u>	<u>920,941</u>	<u>95.50</u>
OPERATING INCOME	<u>\$ 35,177</u>	<u>3.08</u>	<u>\$ 43,419</u>	<u>4.50</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
STATEMENT OF INCOME
YEARS ENDED SEPTEMBER 30, 2003 AND 2002

	<u>2003</u>	<u>%</u>	<u>2002</u>	<u>%</u>
OTHER INCOME				
Interest Income	\$ 10,507	0.92	\$ 16,556	1.72
	<u>10,507</u>	<u>0.92</u>	<u>16,556</u>	<u>1.72</u>
OTHER EXPENSES				
Interest Expense	8,619	0.76	11,040	1.14
Settlement Costs	0	0.00	0	0.00
	<u>8,619</u>	<u>0.76</u>	<u>11,040</u>	<u>1.14</u>
INCOME BEFORE INCOME TAX	<u>37,065</u>	<u>3.25</u>	<u>48,935</u>	<u>5.07</u>
Provision for Income Tax (Note 3)	<u>16,806</u>	<u>1.47</u>	<u>16,419</u>	<u>1.70</u>
NET INCOME	<u>\$ 20,259</u>	<u>1.78</u>	<u>\$ 32,516</u>	<u>3.37</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED SEPTEMBER 30, 2003 AND 2002

	Common Stock	Additional Paid in Capital	Retained Earnings	Total
Balance at September 30, 2001	\$ 10,000	\$ 155,144	\$ 19,474	\$ 184,618
2002 Net Income			32,516	32,516
Balance at September 30, 2002	10,000	155,144	51,990	217,134
2003 Net Income			20,259	20,259
Balance at September 30, 2003	<u>\$ 10,000</u>	<u>\$ 155,144</u>	<u>\$ 72,249</u>	<u>\$ 237,393</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
OPERATING ACTIVITIES:		
Net Income	\$ 20,259	\$ 32,516
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation & Amortization	16,295	17,019
Bad Debt Expense		69,819
Changes in Operating Assets & Liabilities:		
Decrease (Increase) in:		
Accounts Receivable	3,211	(51,475)
Employee Advances	(1,417)	(2,400)
Supplies on Hand		-
Decrease (Increase) in:	(3,494)	
Accounts Payable	2,674	(27,250)
Accrued Payable - Ad Fund	(69,697)	(53,695)
Income Taxes Payable	(9,208)	14,019
Accrued Expenses	(31,368)	4,368
Net Cash Provided by Operating Activities	<u>(72,745)</u>	<u>2,921</u>
INVESTING ACTIVITIES:		
Purchases of Property & Equipment	<u>(2,500)</u>	<u>-</u>
Net Cash Used in Investing Activities	<u>(2,500)</u>	<u>-</u>
FINANCING ACTIVITIES:		
Repayment of Capital Lease Obligations	(14,406)	(12,816)
Proceeds from Stockholder - Note Receivable - Stockholder	-	-
Advances to Stockholder - Note Receivable - Stockholder	5,693	(44,709)
Net Cash Provided (Used) in Financing Activities	<u>(8,713)</u>	<u>(57,525)</u>
Increase (Decrease) in Cash and Cash Equivalents	(83,958)	(54,604)
Cash and Cash Equivalents at Beginning of Year	93,023	147,627
Cash and Cash Equivalents at End of Year	<u>\$ 9,065</u>	<u>\$ 93,023</u>
SUPPLEMENTAL INFORMATION:		
Cash Paid for Interest Expense	8,619	11,040
Cash Paid for Income Taxes	27,613	5,000

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CASH PLUS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003 AND 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cash Plus, Inc. (the Company) was first incorporated in the State of Delaware on December 14, 1984. The Company was later re-incorporated in California on April 16, 1985.

The Company's business is to sell individual franchises for check cashing; payday advances along with other related services and development rights for multiple franchises in specific geographic areas.

The Company sells franchises throughout the United States, however, sales to the West Coast represents the major portion of their business.

Revenue Recognition

The Company receives an initial franchise fee from each franchise sale and continuing royalty fees from operating franchises over the life of the franchise. The Company recognizes initial franchise fees as revenue upon acceptance of the contract and when substantial performance has occurred. The estimated costs of providing the initial services to franchises are accrued when the revenue is recognized. Continuing royalty fees are considered earned when they become due from the franchisee.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is accounted for on the straight-line method for financial reporting purposes over the estimated useful lives of the assets, which range from 5 to 7 years. Depreciation expense for the years ended September 30, 2003 and 2002 amounted to \$16,295 and \$17,019, respectively.

For federal income tax purposes, depreciation is computed using the modified accelerated cost recovery system.

Organization Costs

Organization costs are amortized on a straight-line basis over 5 years. Organization costs were fully amortized at September 30, 2001.

CASH PLUS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003 AND 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Cost

All cost associated with advertising and promotion are expensed in the year incurred.

Income Tax

Income taxes have been provided using the liability method in accordance with Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The provision for income tax represents the total of income tax paid or payable for the current year, plus the change in deferred tax during the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable represents amounts due from franchisees under contract. The amounts consists of:

	<u>2003</u>	<u>2002</u>
Accounts Receivable	\$ 109,606	\$ 100,354
Less allowance for doubtful accounts	(15,000)	(2,537)
Accounts receivable - net	<u>\$ 94,606</u>	<u>\$ 97,817</u>

CASH PLUS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003 AND 2002

NOTE 3 – INCOME TAX

The provision for income tax consists of the following at September 30, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Current federal income tax	\$ 10,801	\$ 11,685
Current state income tax	6,005	4,734
	<u>\$ 16,806</u>	<u>\$ 16,419</u>

NOTE 4 – CAPITAL LEASES PAYABLE

The following is a list of the Company's capital leases payable at September 30, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Capital Lease Payable to Bank of the West, payable in monthly installments of \$1,437 including interest at 11.75%, due October 2004, secured by office equipment and furniture.	\$ 17,243	\$ 34,486
Future minimum lease payments	<u>17,243</u>	<u>34,486</u>
Less: interest portion	<u>(1,049)</u>	<u>(3,886)</u>
Present value of net minimum lease payments	16,194	30,600
Less: current portion of long term liabilities	<u>(16,194)</u>	<u>(14,406)</u>
Long-Term Capital Lease Obligation	<u>\$ 0</u>	<u>\$ 16,194</u>

The future minimum lease payments due under capital leases are as follows:

Year ending September 30,	
2004	\$ 17,243
2005	<u>0</u>
Totals	<u>\$ 17,243</u>

CASH PLUS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003 AND 2002

NOTE 5 – COMMITMENTS

On August 16, 1999, the Company signed a new lease for premises at 3002 Dow Avenue, Suite 120, Tustin, California, which commenced on September 1, 1999 and expires December 31, 2004. Total rents for the year ended September 30, 2003 and 2002 totaled \$63,397 and \$64,342, respectively.

Minimum future obligations on the rental agreement for the year ending September 30 are as follows:

2004	\$ 57,705
2005	0
	<hr/>
	\$ 57,705

NOTE 6 – CONTINGENCIES

On August 8, 1999, Christopher Jones, a customer of one of the Company's franchisees in San Diego, Diversified Concept, filed a lawsuit against both the franchisor and franchisee for damages, injunctive relief and restitution. During the fiscal year ended September 30, 2000 management believed this lawsuit was likely to require recognition of a loss and a reasonable estimate of \$25,000 was accrued. As of March 19, 2001 the Company entered into a Settlement and Mutual Release of All Claims with Christopher Jones. The actual loss amounted to \$32,000 of which \$20,000 is to pay Christopher Jones' attorneys' fees and costs over a 24-month installment payment of \$833.33 per month. The remaining \$12,000 will be paid to Spectrum Franchise Group, Inc. (a related party). Spectrum Franchise Group, Inc. will then provide restitution to Mr. Jones through deferred deposit fee discounts over a period not to exceed two years. There was no balance due as of September 30, 2003. As of September 30, 2002, the balance due was \$17,000.

NOTE 7 – RELATED PARTY TRANSACTIONS

Periodically, the Company advances funds to the stockholders and/or their related entities and the stockholders loan funds to the Company. At September 30, 2003 and 2002 the Company has a note receivable due from its stockholder of \$135,400 and \$150,093 respectively. The note is unsecured with interest thereon at 7% per annum and payable upon demand.

The stockholders of the Company own a total of 60 percent of Spectrum Franchise Group, Inc. Spectrum owns three Cash Plus stores that are operated by the Company's stockholders.

CASH PLUS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003 AND 2002

NOTE 7 – RELATED PARTY TRANSACTIONS (continued)

As of January 3, 2001, an office facility rental agreement was signed where the Company is to rent a business office space from its stockholder. Rent expense under this agreement for September 30, 2003 and 2002 totaled \$18,000 and \$18,000 respectively.

On October 1, 2000, an automobile rental agreement was signed where the Company is to rent two automobiles from its stockholders for business usage. The Company is to pay its stockholders monthly payments for the two vehicles. Rent expense under this agreement for September 30, 2003 and 2002 totaled \$7,200 and \$7,200 respectively.

NOTE 8 – ADVERTISING FUND

As of October 31, 2000, the Company established an advertising fund in which the Franchisees shall contribute for advertising, promotion and marketing purposes an amount equal to not less than three percent (3%) of its monthly gross sales. All contributions and any earnings in the fund shall be used exclusively to meet any and all costs of maintaining, administering, researching, directing, and preparing advertising, promotional and marketing activities. As of September 30, 2003 and 2002, the balance in the advertising cash fund was \$7,118 and \$76,815 respectively.

NOTE 9 – LICENSING FEES

As of October 1, 2001, the owner of Cash Plus, Inc. restructured the stock purchase agreement they had with the previous owner. As a result, the company entered into a licensing agreement with the previous owner. Beginning October 1, 2001 and ending March 18, 2011, the company is to pay a monthly licensing fee for use of the Cash Plus, Inc. name and business model. Total expense for licensing fees for the years ended September 30, 2003 and 2002 totaled \$58,931 and \$63,700 respectively.

NOTE 10 – FRANCHISE FEE REVENUE

During the year ended September 30, 2003, the Company sold eight new franchises. As of September 30, 2003, there were a total of sixty-five franchises in operation. The Company owns three of the franchises. The Company did not purchase any franchises during the year ended September 30, 2003.

During the year ended September 30, 2002, the Company sold four new franchises. As of September 30, 2002, there were a total of fifty-three franchises in operation. The Company owns three of the franchises. The Company did not purchase any franchises during the year ended September 30, 2002.