

**AFFILIATE AHEAD HUMAN RESOURCES FRANCHISE CORP.**

**FINANCIAL STATEMENTS**

EXHIBIT E TO THE OFFERING CIRCULAR

# STUEDLE SPEARS & FRANCKE PSC

CERTIFIED PUBLIC ACCOUNTANTS

2821 S. Hurstbourne Parkway

Louisville, KY 40220

Phone: (502) 491.5253 · Fax: (502) 491.5270

September 22, 2006

To the Board of Directors  
Ahead Human Resources Franchise Corp. and Subsidiary  
Louisville, Kentucky

We hereby consent to the use in the franchise registration and offering circular of our report dated September 22, 2006 relating to the audited financial statements of Ahead Human Resources Franchise Corp. and subsidiary as of and for the years ended June 30, 2006 and 2005, provided our report is presented together with the financial statements and all notes related thereto. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,

A handwritten signature in black ink that reads "Stuedle Spears & Francke, PSC". The signature is written in a cursive, flowing style.

STUEDLE SPEARS & FRANCKE PSC

**AHEAD HUMAN RESOURCES FRANCHISE  
CORP. AND SUBSIDIARY**

**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

**AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Ahead Human Resources Franchise Corp. and Subsidiary  
Louisville, Kentucky

We have audited the accompanying balance sheets of Ahead Human Resources Franchise Corp. and subsidiary as of June 30, 2006 and 2005, and the related statements of operations, changes in stockholders' equity (deficit) and cash flows for the years ended June 30, 2006, 2005, and 2004. These financial statements are the responsibility of the management of the Company and its subsidiary. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Ahead Human Resources Franchise Corp. as of June 30, 2004 and 2003 were audited by other auditors whose report dated August 24, 2004, expressed an unqualified opinion on those statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 that our audits provide 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 Ahead Human Resources Franchise Corp. and subsidiary as of June 30, 2006 and 2005 and the results of its operations and its cash flows for the years ended June 30, 2006, 2005, and 2004 in conformity with accounting principles generally accepted in the United States of America.

STUEDLE SPEARS & FRANCKE PSC



September 22, 2006

**AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY**  
**BALANCE SHEETS**  
**JUNE 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 50,485	\$ 109,352
Restricted cash	16,441	12,870
Inventory	5,876	-
Due from franchisee(s)	-	-
Due from related party	239,002	72,655
Total Current Assets	<u>311,804</u>	<u>194,877</u>
Property and Equipment		
Equipment	<u>530</u>	<u>530</u>
	530	530
Less accumulated depreciation	<u>(276)</u>	<u>(106)</u>
Total Property and Equipment	<u>254</u>	<u>424</u>
Other Assets		
Goodwill	<u>450</u>	<u>450</u>
Total Other Assets	<u>450</u>	<u>450</u>
Total Assets	<u>\$ 312,508</u>	<u>\$ 195,751</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current Liabilities		
Due to related party	\$ 38,382	\$ 36,493
Other current liabilities	<u>36,353</u>	<u>21,462</u>
Total Current Liabilities	<u>74,735</u>	<u>57,955</u>
Stockholders' Equity		
Controlling interests		
Common stock	1,000	1,000
Additional paid-in capital	448,494	448,494
Retained earnings (deficit)	<u>(215,104)</u>	<u>(298,865)</u>
	234,390	150,629
Minority interests		
Common stock	49	49
Retained earnings (deficit)	<u>3,334</u>	<u>(12,882)</u>
	<u>3,383</u>	<u>(12,833)</u>
Total Stockholders' Equity	<u>237,773</u>	<u>137,796</u>
Total Liabilities and Stockholders' Equity	<u>\$ 312,508</u>	<u>\$ 195,751</u>

The accompanying notes are an integral part of the financial statements.

**AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY**  
**STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED JUNE 30, 2006, 2005, AND 2004**

	2006	2005	2004
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues			
Franchise income and royalties	\$ 88,958	\$ 65,455	\$ 43,935
Franchise fees	53,100	40,300	27,400
Equipment commissions	63,368	26,144	-
Equipment sales, net	718	-	-
Total Revenues	<u>206,144</u>	<u>131,899</u>	<u>71,335</u>
Operating Expenses			
Consulting fees	7,606	-	-
Advertising and marketing	43,835	55,348	4,271
Taxes and licenses	2,749	3,112	1,247
Travel	1,127	4,767	1,577
Public relations	9,111	3,476	150
Supplies - franchisees	2,563	-	-
Education and training	3,790	-	3,000
Office supplies	1,320	1,535	657
Accounting	5,000	3,525	3,275
Legal fees	3,950	790	-
Postage	1,491	1,752	704
Telephone	1,700	2,085	1,908
Rent	6,000	6,000	6,000
Commissions and referrals	2,434	-	-
Repairs and maintenance	21	438	-
Meals and entertainment	1,527	1,295	906
Bank fees	1,379	673	224
Bad debt	-	10,275	-
Depreciation	170	106	-
Memberships and dues	2,095	-	1,432
Total Operating Expenses	<u>97,868</u>	<u>95,177</u>	<u>25,351</u>
Income (Loss) From Operations	108,276	36,722	45,984
Other Income and Expenses			
Franchise development costs	-	(13,526)	-
Interest income	-	-	-
Interest expense	-	-	-
Gain (loss) on sales of assets	-	-	-
Total Other Income and Expenses	<u>-</u>	<u>(13,526)</u>	<u>-</u>
Net Income Before Tax	108,276	23,196	45,984
Provision for income tax	<u>(8,299)</u>	<u>(576)</u>	<u>-</u>
Net Income (Loss)	\$ <u>99,977</u>	\$ <u>22,620</u>	\$ <u>45,984</u>

The accompanying notes are an integral part of the financial statements.

**AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**FOR THE YEARS ENDED JUNE 30, 2006, 2005, AND 2004**

	<u>Common Stock</u>		<u>Additional</u>	<u>Retained</u>	<u>Total</u>
	<u>Shares</u>	<u>Value</u>	<u>Paid-In</u>	<u>Earnings</u>	<u>Stockholders'</u>
			<u>Capital</u>	<u>(Deficit)</u>	<u>Equity</u>
					<u>(Deficit)</u>
Balance as of July 1, 2003	9,500	\$ 1,000	\$ 448,494	\$ (380,351)	\$ 69,143
Net income (loss)				45,984	45,984
Balance as of June 30, 2004	9,500	1,000	448,494	(334,367)	115,127
Issuance of common stock	490	49			49
Net income (loss)				22,620	22,620
Balance as of June 30, 2005	9,990	1,049	448,494	(311,747)	137,796
Net income (loss)				99,977	99,977
Balance as of June 30, 2006	<u>9,990</u>	<u>\$ 1,049</u>	<u>\$ 448,494</u>	<u>\$ (211,770)</u>	<u>\$ 237,773</u>

The accompanying notes are an integral part of the financial statements.



**AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2006, 2005 AND 2004**

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities			
Net income (loss)	\$ 99,977	\$ 22,620	\$ 45,984
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	170	106	-
Loss (Gain) on sale of property and equipment	-	-	-
Decrease (increase) in:			
Restricted cash	(3,571)	(3,322)	(9,548)
Inventory	(5,876)	-	-
Prepaid expenses	-	4,765	813
Due from franchisee	-	10,275	(10,275)
Due from related party	(166,347)	(70,999)	-
Increase (decrease) in:			
Due to related party	1,889	36,493	(23,547)
Other current liabilities	<u>14,891</u>	<u>6,968</u>	<u>3,627</u>
Net Cash Provided (Used) By Operating Activities	(58,867)	6,906	7,054
Cash Flows From Investing Activities			
Excess of market value over book value of subsidiary common stock purchased	-	(450)	-
Purchases of property and equipment	<u>-</u>	<u>(530)</u>	<u>-</u>
Net Cash Provided (Used) By Investing Activities	-	(980)	-
Cash Flows From Financing Activities:			
Issuance of subsidiary common stock to minority Interests	-	49	-
Proceeds from note payable to Ahead Human Resources, Inc.	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) By Financing Activities	<u>-</u>	<u>49</u>	<u>-</u>
Increase (Decrease) In Cash And Cash Equivalents	(58,867)	5,975	7,054
Cash And Cash Equivalents At Beginning Of The Year	<u>109,352</u>	<u>103,377</u>	<u>96,323</u>
Cash And Cash Equivalents At End Of The Year	\$ <u>50,485</u>	\$ <u>109,352</u>	\$ <u>103,377</u>
Supplemental Disclosures of Cash Flow Information:			
Interest paid during the year	\$ -	\$ -	\$ -
Income taxes paid during the year	\$ 576	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

**AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2006 AND 2005**

**NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

Ahead Human Resources Franchise Corp. ("AHRFC"), formed in March 2000, is engaged in the business of franchising human resources consulting and temporary services placement agencies throughout the United States. AHRFC owns 51 percent of the outstanding common stock of Flicko's Franchise Corporation, Inc.

Flicko's Franchise Corporation, Inc. ("Flicko's"), formed in March 2005, began operations during the fiscal year ended June 30, 2005. Flicko's is engaged in the business of franchising video workshop services. These services include video and audio editing, conversion, duplication, and montages, as well as the production of prints from other media, and the rental of video equipment.

AHRFC is a majority owned subsidiary of Ahead Human Resources, Inc. ("Ahead"). Ahead owns 78 percent of the outstanding common stock of AHRFC.

Ahead also directly owns 28 percent of the outstanding common stock of Flicko's in addition to its indirect stake in Flicko's as a result of its AHRFC stock ownership.

Principles of Consolidation

The consolidated financial statements as of and for the fiscal years ended June 30, 2006 and 2005, include the accounts of AHRFC and Flicko's, after elimination of all inter-company accounts and transactions.

Comparative Financial Statements

While the consolidated financial statements appear to include activity for the fiscal years ended June 30, 2006, 2005 and 2004 for AHRFC and Flicko's, it must be noted that Flicko's did not operate during the fiscal year ended June 30, 2004 and, therefore, the financial statements for the fiscal year ended June 30, 2004 actually includes activity from only AHRFC.

Franchises

One new franchise was purchased from AHRFC during the fiscal year ended June 30, 2006. As of June 30, 2006, AHRFC had twelve franchises located in eight different states, six of which were active and six were inactive. As of June 30, 2005, there were ten franchises located in eight different states, seven of which were active and three were inactive.

Three new franchises were purchased from Flicko's during the fiscal year ended June 30, 2006. As of June 30, 2006, Flicko's had five franchises located in five different states, all of which were active. Two new franchises were purchased from Flicko's during the fiscal year ended June 30, 2005. As of June 30, 2005, Flicko's had two franchises in two different states, both of which were active.

See accountant's report.

AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2006 AND 2005

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents are defined as demand deposits and all highly liquid investments with a maturity of three months or less when purchased.

Inventory

Inventory consists of materials, equipment, and supplies available for sale to new and existing franchisees and are valued at the lower of cost or market.

Property and Equipment

Property and equipment is stated at cost. Expenditures that materially increase useful lives of existing assets are capitalized, while ordinary maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the fiscal years ended June 30, 2006, 2005, and 2004 was \$170, \$106, and zero, respectively.

Income Taxes

AHRFC and its subsidiary account for income taxes using the liability method under which deferred tax assets and liabilities are determined based upon the differences between financial statement carrying amounts and the tax bases of existing assets and liabilities. These temporary differences are measured at prevailing enacted tax rates that will be in effect when the differences are settled or realized.

Revenues

Franchise income and royalties, which consists of staffing and PEO franchise income for AHRFC and royalties income for Flicko's, is based on an agreed upon percentage of franchisee's ongoing monthly revenues.

Franchise fees represents initial fees charged to each franchisee for training and site selection. These revenues are recognized when training and site selection are substantially performed.

Upon startup of a new Flicko's franchise, Ahead Human Resources, Inc. purchases equipment and then sells or leases it to the new franchisee. Consequently, Flicko's receives a commission from the "sale" of equipment by Ahead Human Resources, Inc. to the franchisee and recognizes these proceeds as equipment commissions revenue. As discussed in Note 7, equipment and supplies may be purchased and resold to franchisees throughout the year.

See accountant's report.

**AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2006 AND 2005**

**NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Advertising Costs**

Advertising and sales promotion costs are expensed as incurred. Advertising expense for the years ended June 30, 2006, 2005, and 2004 were \$43,835, \$55,348, and \$4,271, respectively.

**NOTE 2 - RESTRICTED CASH**

Restricted cash at June 30, 2006 was comprised of the following:

Marketing fund - AHRFC	\$ 16,075
Marketing fund - Flicko's	<u>366</u>
 Total Restricted Cash	 \$ <u>16,441</u>

The amounts in the marketing funds represent the cash balance of funds collected from franchisees and not yet expended for advertising and marketing purposes for the benefit of all franchisees as provided in the franchise agreements. There is a corresponding liability on the balance sheet, which is included with other current liabilities, matching the amount in restricted cash.

**NOTE 3 - INTANGIBLE ASSETS**

Goodwill is an unamortizable asset created from the consolidation of AHRFC and its subsidiary for financial reporting purposes. It represents the difference between the amount paid by AHRFC for the common stock of Flicko's and the book value of those shares on the books of Flicko's.

**NOTE 4 - RELATED PARTY TRANSACTIONS**

AHRFC maintains a perpetual due from or to balance with Ahead Human Resources, Inc. ("Ahead"), its majority stockholder. The balance of the receivable was \$239,002 and \$72,655 as of June 30, 2006 and 2005. AHRFC expects payment of the receivable within twelve months.

Flicko's maintains a perpetual due from or to balance with Ahead, a minority stockholder in Flicko's. The balance of the payable was \$38,382 and \$36,493 as of June 30, 2006 and 2005. Flicko's plans to pay the related party payable within twelve months.

Ahead provides office and administrative services to AHRFC and its subsidiary, Flicko's, since they do not maintain their own offices or employees. For the years ended June 30, 2006, 2005, and 2004, Ahead charged AHRFC and its subsidiary \$6,000, \$6,000, and \$6,000, respectively, for office space rent. It is the Company's intention, once established and franchises are sold, to provide for its own management and administration.

See accountant's report.

**AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2006 AND 2005**

**NOTE 5 - INCOME TAXES**

Deferred income taxes are provided on timing differences between financial and taxable income resulting from temporary differences associated with the amortization of franchise development costs as well as the consequences of net operating loss carryforwards. The provision for income taxes consists of the following:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Currently payable before benefit of net operating loss carryforward			
Federal	\$ 21,983	\$ 3,840	\$ 3,000
State	4,780	1,536	2,000
	<u>26,763</u>	<u>5,376</u>	<u>5,000</u>
Benefit of net operating loss carryforward	<u>(20,803)</u>	<u>(5,376)</u>	<u>(5,000)</u>
	<u>\$ 5,960</u>	<u>\$ -</u>	<u>\$ -</u>
		<u>2005</u>	<u>2004</u>
Deferred Tax Assets			
Organizational costs	1,704	2,272	7,000
Net operating loss carryforward	44,964	62,797	105,000
Deferred Tax Liability			
Reserve for uncollectible accounts	-	-	-
Valuation allowance	<u>(46,668)</u>	<u>(65,069)</u>	<u>(112,000)</u>
Total Net Deferred Tax Asset	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Company has net operating loss carryforwards that may be offset against future taxable income. If not used, the carryforwards will expire as follows:

<u>Year of Net Operating Loss Expiration</u>	
Fiscal Year Ended June 30, 2021	\$ 79,047
Fiscal Year Ended June 30, 2022	76,693
Fiscal Year Ended June 30, 2023	<u>60,425</u>
	<u>\$ 216,165</u>

The Company has provided a valuation allowance against the net deferred tax assets recorded as of June 30, 2006, 2005, and 2004 of \$46,668, \$65,069, and \$112,000, respectively, due to uncertainties in realization using the "more likely than not" valuation method and alternative minimum tax exemption limitations. The Company utilized approximately \$20,803, \$5,376, and \$5,000 in net operating loss carryforward benefits to offset income tax for fiscal years ended June 30, 2006, 2005, and 2004, respectively.

See accountant's report.

**AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2006 AND 2005**

**NOTE 6 - COMMON STOCK**

At June 30, 2006 and 2005, there were 10,000 shares of common stock of AHRFC, no par value, authorized with 9,500 shares issued and outstanding. As discussed in Note 1, Ahead Human Resources, Inc. owns 78 percent of the outstanding common stock of AHRFC as of June 30, 2006 and 2005.

During the fiscal year ended June 30, 2005, the Board of Directors of Flicko's authorized and issued 1,000 shares of its common stock with no par value. As discussed in Note 1, AHRFC owns 51 percent of the outstanding common stock of Flicko's as of June 30, 2006 and 2005.

Since Flicko's is considered a subsidiary of AHRFC based on the percentage of outstanding Flicko's common stock owned by AHRFC being a majority share, the 51 percent owned by AHRFC is absorbed in the consolidation of the financial statements. The remaining 49 percent is reported as minority interest owned on the balance sheet.

**NOTE 7 - EQUIPMENT SALES, NET**

Flicko's maintains a small inventory of equipment and supplies that is periodically sold to franchisees during the year. Equipment sales, net consists of the following:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Gross proceeds from sales	\$ 3,734	\$ -	\$ -
Cost of good sold	<u>3,016</u>	<u>-</u>	<u>-</u>
Equipment sales, net	\$ <u>718</u>	\$ <u>-</u>	\$ <u>-</u>

**NOTE 8 - FRANCHISE DEVELOPMENT COSTS**

Franchise development costs represent fees paid to a third party in connection with the creation and development of the franchise program for Flicko's. Services provided by the third party included strategic planning and program structure, franchise documentation, operations services, franchise marketing and sales services, and general consulting and program review. Franchise development costs were expensed as incurred. Franchise development costs totaled zero, \$13,526, and zero for the fiscal years ended June 30, 2006, 2005, and 2004, respectively.

See accountant's report.

**AHEAD HUMAN RESOURCES FRANCHISE CORP. AND SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2006 AND 2005**

**NOTE 9 - CONCENTRATIONS**

Cash and Cash Equivalents

AHRFC and Flicko's maintain their cash and cash equivalents in accounts at one bank in Louisville, Kentucky. Accounts at the bank are guaranteed by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2006 and 2005, uninsured cash balances for AHRFC totaled approximately zero and \$13,000, respectively.

Sales

AHRFC and its subsidiary earned 48%, 62%, and 58% of its franchise income and royalties revenue from a single franchisee in Green Bay, Wisconsin during the fiscal years ended June 30, 2006, 2005, and 2004, respectively.

**NOTE 10 - GUARANTEES**

AHRFC has guaranteed the performance of Flicko's under its Franchisee Registration and Agreement with the State of Illinois. As discussed in Note 1, Flicko's is a majority owned subsidiary of AHRFC, and both companies have common management and ownership.

See accountant's report.

**Flickos Franchise Corp, Inc.**  
**Balance Sheet**  
**August 31, 2006**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 45,091.15
Prepaid expenses	-
Equipment inventory	5,855.91
Due from franchisees	517.74
Due from Ahead, Inc.	-
Stock Subscriptions Receivable	-
	<u>51,484.80</u>

**Fixed Assets**

Equipment	529.99
Accumulated depreciation	(356.86)
	<u>173.13</u>

**TOTAL ASSETS**

51,637.93

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**Current Liabilities**

Accrued Expenses	400.00
Income Taxes Payable	5,668.00
Due To Ahead, Inc.	41,232.65
	<u>47,300.65</u>

**Other Liabilities**

Marketing Fund	501.90
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**Long-Term Debt**

Note Payable - Flickos, Inc.	-
	<u>-</u>

**TOTAL LIABILITIES**

47,802.55

**Stockholders' Equity**

Common Stock	100.00
Additional paid-in capital	-
Retained earnings	3,735.38
	<u>3,835.38</u>

**TOTAL STOCKHOLDER'S EQUITY**

3,835.38

**TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY**

\$ 51,637.93



Flickos Franchise Corp, Inc.  
Statement of Operations  
For the Period Ended August 31, 2008

	Month to Date				Year to Date			
	Current Year	% of Rev	Prior Year	% of Rev	Current Year	% of Rev	Prior Year	% of Rev
<b>Revenues</b>								
Royalties	\$ 2,163.62	100.00%	\$ 787.25	100.00%	\$ 3,740.70	100.00%	\$ 1,167.07	5.62%
Franchise fees	-	0.00%	-	0.00%	-	0.00%	19,600.00	94.38%
Equipment commission	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Equipment sales	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Equipment cost of sales	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>Net Revenues</b>	<b>2,163.62</b>	<b>100.00%</b>	<b>787.25</b>	<b>100.00%</b>	<b>3,740.70</b>	<b>100.00%</b>	<b>20,767.07</b>	<b>100.00%</b>
<b>Expenses</b>								
Accounting Fees	200.00	9.24%	200.00	25.40%	400.00	10.69%	400.00	1.93%
Advertising	635.56	29.37%	85.00	10.80%	640.25	17.12%	95.00	0.46%
Bad debts	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Bank fees	61.99	2.87%	108.38	13.77%	125.81	3.36%	219.46	1.06%
Consulting Fees / Commissions	-	0.00%	-	0.00%	10.00	0.27%	-	0.00%
Depreciation	40.63	1.88%	35.34	4.49%	81.26	2.17%	35.34	0.17%
Client Gifts	167.48	7.74%	-	0.00%	167.48	4.48%	-	0.00%
Legal Fees	220.00	10.17%	-	0.00%	220.00	5.88%	3,248.29	15.64%
Office Supplies & Expense	-	0.00%	-	0.00%	63.57	1.70%	-	0.00%
Repairs & Maintenance	18.26	0.84%	-	0.00%	32.95	0.88%	-	0.00%
Meals & Entertainment	-	0.00%	113.36	14.40%	-	0.00%	158.91	0.76%
Marketing - Franchisee	3,583.15	165.61%	454.32	57.71%	4,905.65	131.14%	454.32	2.18%
Supplies - Franchisee	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Postage	10.37	0.48%	6.47	0.82%	31.22	0.83%	158.21	0.76%
Public Relations	-	0.00%	914.16	116.12%	-	0.00%	914.16	4.40%
Rent	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Dues & Subscriptions	-	0.00%	825.00	104.80%	-	0.00%	825.00	3.97%
Education & Training	-	0.00%	1,192.20	151.44%	-	0.00%	1,192.20	5.74%
Taxes, Licenses and Fees	-	0.00%	-	0.00%	100.00	2.67%	-	0.00%
Telephone	17.15	0.79%	15.31	1.94%	31.11	0.83%	26.24	0.13%
Travel	-	0.00%	216.39	27.49%	-	0.00%	216.39	1.04%
	<b>4,954.59</b>	<b>229.00%</b>	<b>4,165.93</b>	<b>529.17%</b>	<b>6,809.30</b>	<b>182.03%</b>	<b>7,941.52</b>	<b>38.24%</b>
<b>Operating Income (Loss)</b>	<b>(2,790.97)</b>	<b>-129.00%</b>	<b>(3,378.68)</b>	<b>-429.17%</b>	<b>(3,068.60)</b>	<b>-82.03%</b>	<b>12,825.55</b>	<b>61.76%</b>
<b>Other Income (Expense)</b>								
Organizational costs	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Franchise development costs	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Interest Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Interest Income	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>Net profit (loss) before tax</b>	<b>(2,790.97)</b>	<b>-129.00%</b>	<b>(3,378.68)</b>	<b>-429.17%</b>	<b>(3,068.60)</b>	<b>-82.03%</b>	<b>12,825.55</b>	<b>61.76%</b>
<b>INCOME TAX</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>
<b>Net Income (Loss)</b>	<b>(2,790.97)</b>	<b>-129.00%</b>	<b>(3,378.68)</b>	<b>-429.17%</b>	<b>(3,068.60)</b>	<b>-82.03%</b>	<b>12,825.55</b>	<b>61.76%</b>