

EXHIBIT B

Financial Statements

DEPARTMENT OF CORPORATIONS
RECORDED
APR - 1 2005
SACRAMENTO OFFICE

**MELT FRANCHISING, LLC
(A DEVELOPMENT STAGE COMPANY)**

FINANCIAL STATEMENTS

March 10, 2005

CONTENTS

Report of Independent Registered Public Accounting Firm.....	3
Balance Sheet	4
Statement of Operations.....	5
Statement of Members' Equity (Deficit).....	6
Statement of Cash Flows.....	7
Notes to the Financial Statements	8

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Members
Melt Franchising, LLC
(A Development Stage Company)

We have audited the accompanying balance sheet at March 10, 2005 and the related statements of operations, members' (deficit) and cash flows of Melt Franchising LLC, (a development stage company) for the period from February 25, 2005 (date of inception) to March 10, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respect, the financial position of Melt Franchising, LLC (a development stage company) at March 10, 2005 and the results of its operations and its cash flows for the period then ended, in conformity with United States generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 4 to the financial statements, there has been substantial doubt raised about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

HJ Associates & Consultants, LLP
Salt Lake City, Utah
March 30, 2005

**MELT FRANCHISING LLC.
(A DEVELOPMENT STAGE COMPANY)**

Balance Sheet

ASSETS

March 10,
2005

CURRENT ASSETS

Cash \$ 50,000

Total Current Assets \$ 50,000

LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Accrued professional fees \$ 1,000

Loan from parent company – Melt, Inc. 49,900

Total Current Liabilities 50,900

MEMBERS' EQUITY (DEFICIT)

Members' equity 100

Deficit accumulated during the development stage (1,000)

Total Members' Equity (Deficit) (900)

TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT) \$ (50,000)

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

MELT FRANCHISING LLC.
(A DEVELOPMENT STAGE COMPANY)
Statement of Operations

	From the Date of Inception on February 25, 2005 To March 10, 2005
REVENUE	\$ -
PROFESSIONAL FEES	<u>1,000</u>
LOSS FROM OPERATIONS	<u>(1,000)</u>
NET LOSS	<u>\$ (1,000)</u>

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

MELT FRANCHISING LLC.
(A DEVELOPMENT STAGE COMPANY)
Statement of Members' Equity (Deficit)

		<u>Members'</u> <u>Equity</u>	<u>Deficit</u> <u>Accumulated</u> <u>During the</u> <u>Development</u> <u>Stage</u>
February 25, 2005	Date of inception	\$ -	\$ -
February 25, 2005	Contributed capital	100	-
	Net loss from 2/25/05 through 3/10/05	<u>-</u>	<u>(1,000)</u>
March 10, 2005	Balance	<u>\$ 100</u>	<u>\$ (1,000)</u>

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

MELT FRANCHISING LLC.
(A DEVELOPMENT STAGE COMPANY)
Statement of Cash Flows

From the date
of Inception on
February 25, 2005
to March 10,
2005

CASH FLOWS FROM OPERATING ACTIVITIES

Net (loss)	\$ (1,000)
Changes in operating assets and liabilities:	
Accrued expenses	<u>1,000</u>
Net Cash Used In Operating Activities	<u>-</u>

CASH FLOWS FROM INVESTING ACTIVITIES

-

CASH FLOWS FROM FINANCING ACTIVITIES

Contributed capital	100
Borrowings from affiliated company	<u>49,900</u>
Net Cash Provided by Financing Activities	<u>50,000</u>

INCREASE IN CASH

\$ 50,000

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest paid	\$ -
Taxes paid	\$ -

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

MELT FRANCHISING LLC.
(A DEVELOPMENT STAGE COMPANY)

Notes To Financial Statements
March 10, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Melt Franchising LLC. (hereinafter referred to as the Company) was organized on February 25, 2005, under the laws of the State of Nevada. The Company has been granted a license from Melt (California) Inc. to sell franchisee's under the Melt - Gelato Italiano trademark. Melt Franchising LLC is a wholly owned subsidiary of Melt Inc. The Company's fiscal year end is December 31.

Income Taxes

The Company is a Limited Liability Company. As such all income taxes are recorded at the member level.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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.

NOTE 2 - DEVELOPMENT STAGE COMPANY

The Company is a development stage company as defined by SFAS No. 7.

NOTE 3 - RELATED PARTY TRANSACTIONS

On March 10, 2005, the Company received contributed capital totaling \$100.

The Company received a loan of \$50,000 on March 9, 2005 from its parent, Melt, Inc. The loan is unsecured, bears interest at 7.00% per annum and is unsecured.

MELT FRANCHISING LLC.
(A DEVELOPMENT STAGE COMPANY)
Notes to The Financial Statements
March 10, 2005

NOTE 4 - GOING CONCERN

The Company's consolidated financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has incurred a loss since its inception on February 25, 2005 and has failed to generate a positive cash flow from operations, which together raises substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty. Management's plans to eliminate the going concern situation include, but are not limited to, raising additional equity through private placements of its parent company, Melt, Inc's, common stock, secure sufficient debt and generate profits from its initial retail business. There can be no assurance that management's plans will be successful.

