

Signature Devices, Inc.
Unaudited Financial Statement
January – December 2008

Profit and Loss

	<u>Jan - Dec 08</u>
Ordinary Income/Expense	
Income	
Consulting Income	104,764.29
Other Regular Income	
Video Game Sales	216,604.60
Other Regular Income - Other	<u>57,000.00</u>
Total Other Regular Income	<u>273,604.60</u>
Total Income	378,368.89
Cost of Goods Sold	
Cost of Goods Sold	
Video Games	33,711.13
Cost of Goods Sold - Other	<u>76,783.57</u>
Total Cost of Goods Sold	<u>110,494.70</u>
Total COGS	<u>110,494.70</u>
Gross Profit	267,874.19
Expense	
Vendor Discounts	24,289.26
Price Protection Adjustment	488.00
Factoring Fees	22,359.62
Stock Transfer Agent Expense	3,365.00
Advertising	9,667.99
Stock Based Compensation	612.88
Stock For Services	1,909,117.00
Reconciliation Discrepancies	312.50
Office Expense	2,805.07
Bad Debt	359.80
Royalties	-16,200.00
Storage & warehousing	2,897.45
Marketing	21,651.60
Communication Expenses	
Telephone	2,679.02
Cell Phone	<u>1,652.76</u>
Total Communication Expenses	4,331.78
Computer Expense	
Expensed H/W & S/W	20,785.56
Computer Expense - Other	<u>1,447.17</u>
Total Computer Expense	22,232.73
Accounting	1,658.70
Automobile Expense	220.42

Bank Service Charges	3,709.73
Capital Stock Setup	4,005.00
Cash Discounts	4,120.00
Depreciation Expense	2,690.50
Dues and Subscriptions	5,799.98
Equipment Rental	843.67
Filing Fees	1,674.00
Furniture and Equipment Expense	2,531.93
Insurance	
Disability Insurance	1,227.00
Liability Insurance	1,207.50
Insurance - Other	696.72
Total Insurance	3,131.22
Interest Expense	
Inactive Account Fee	25.00
Late Fees	331.00
Finance Charge	17,578.78
Interest Expense - Other	96.92
Total Interest Expense	18,031.70
Internet	14,179.07
Licenses and Permits	2,891.27
Memberships	
Other Memberships	544.00
Memberships - Other	99.00
Total Memberships	643.00
Mileage	5.00
Miscellaneous	193.00
Moving Expense	64.29
Office Supplies	8,574.04
Outside Services	43,742.81
Parking Expense	204.28
Personnel Costs	
Salaries & Wages	593,067.33
Payroll Taxes	
Federal	34,775.30
FUTA	1,690.80
State	-2.80
SUI & ETT	4,700.48
Payroll Taxes - Other	4,688.16
Total Payroll Taxes	45,851.94
Other Fringe Benefits	
Dental	6,566.87
HSA - Employer Contributions	8,164.69
Work Comp	2,235.50
Medical	32,993.71
Total Other Fringe Benefits	49,960.77

Personnel Costs - Other	-41,153.31
Total Personnel Costs	<u>647,726.73</u>
Postage and Delivery	6,116.59
Printing and Reproduction	1,974.94
Professional Fees	
Commission	347.99
Accounting	24,447.75
Legal Fees	20,265.00
Public Relations	5,635.00
Professional Fees - Other	942.50
Total Professional Fees	<u>51,638.24</u>
Rent	95,328.78
Repairs	
Building Repairs	16.91
Computer Repairs	2,134.42
Janitorial Exp	270.00
Total Repairs	<u>2,421.33</u>
Research & Development	
Video Game Development	300,892.13
Research & Development - Other	3,986.18
Total Research & Development	<u>304,878.31</u>
Taxes	
Use Tax	7.00
Total Taxes	<u>7.00</u>
Travel & Ent	
Lodging	6,922.62
Meals	2,392.22
Travel	13,471.39
Travel & Ent - Other	1,264.55
Total Travel & Ent	<u>24,050.78</u>
Uncategorized Expenses	742.38
Utilities	
Water	239.22
Total Utilities	<u>239.22</u>
Total Expense	<u>3,262,328.59</u>
Net Ordinary Income	-2,994,454.40
Other Income/Expense	
Other Expense	
Price Protection	9,965.90

Loss on impairment of software	5,000.00
Corporate Income/Franchise Tax	<u>1,169.67</u>
Total Other Expense	<u>16,135.57</u>
Net Other Income	<u>-16,135.57</u>
Net Income	<u><u>-3,010,589.97</u></u>

Balance Sheet

	<u>Dec 31, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
Total Checking/Savings	21,112.89
Accounts Receivable	
Accounts Receivable	<u>16,892.32</u>
Total Accounts Receivable	16,892.32
Other Current Assets	
Investments	98,029.84
Rent Deposit	17,875.00
Inventory Asset	<u>51,474.88</u>
Total Other Current Assets	<u>167,379.72</u>
Total Current Assets	205,384.93
Fixed Assets	
Computer Equipment	
Accumulated Depreciation	-25,405.33
Computer Equipment - Other	<u>56,955.49</u>
Total Computer Equipment	31,550.16
Furniture and Equipment	
Accumulated Depreciation	-2,051.93
Furniture and Equipment - Other	<u>27,124.77</u>
Total Furniture and Equipment	25,072.84
Purchased Computer Software	
Accumulated Depreciation	-3,815.83
Purchased Computer Software - Other	<u>4,616.61</u>
Total Purchased Computer Software	<u>800.78</u>
Total Fixed Assets	57,423.78
Other Assets	
Software Technology	
Cost	15,139.91
Software Technology - Other	<u>-15,000.00</u>
Total Software Technology	<u>139.91</u>
Total Other Assets	<u>139.91</u>
TOTAL ASSETS	<u><u>262,948.62</u></u>

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable

18,348.21

Total Accounts Payable

18,348.21

Credit Cards

Total Credit Cards

126,022.56

Other Current Liabilities

Payroll Liabilities

759.76

Accrued Expenses

31,745.72

Total Other Current Liabilities

32,505.48

Total Current Liabilities

176,876.25

Long Term Liabilities

US Bank Bus. Equipt. Financing

17,839.63

Total Long Term Liabilities

17,839.63

Total Liabilities

194,715.88

Equity

Total Equity

68,232.74

TOTAL LIABILITIES & EQUITY

262,948.62