

FC25617

100361/210

ECHSO CORP.
STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
FOR THE YEAR ENDED AUGUST 31, 2002

Company No FC 25613

	31-Aug-02	31-Aug-01
Revenues	\$ 13,677,267	\$ 12,978,617
Cost of sales	12,275,090	10,511,933
Gross profit	1,402,177	2,466,684
Selling, general and administrative expenses	2,443,268	3,214,457
Income from operations	(1,041,091)	(747,773)
Other income (expense)		
Rental income	237,089	-
Intercompany income	-	266,940
Other income	-	120,302
Capital gains	13,786	-
Interest Income	-	589
Interest expense	(98,464)	-
Net loss	(888,680)	(359,942)
Accumulated deficit b/fwd	(3,070,200)	(2,710,258)
Accumulated deficit c/fwd	\$ (3,958,880)	\$ (3,070,200)



ECHSO CORP.
BALANCE SHEET
AUGUST 31, 2002

Company No FC 25613

	31-Aug-02	31-Aug-01
ASSETS		
Current assets		
Cash	\$ (122,460)	\$ -
Deposits	-	121,617
Prepaid expenses	-	26,941
Employee advances	-	2,520
Accounts receivable	1,029,260	1,198,925
Total current assets	906,800	1,350,003
Property and equipment, net of accumulated depreciation	2,239,525	2,788,397
Intangible assets, net of accumulated amortization	677,210	776,314
Total assets	<u>\$ 3,823,535</u>	<u>\$ 4,914,714</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 610,806	\$ 539,249
Draft in excess of funds	-	59,187
Accrued salaries and payroll taxes	228,563	339,922
Pension contribution payable	525,672	269,816
Deferred revenue	318,941	449,067
Due to affiliates	3,345,303	3,123,653
Total current liabilities	5,029,285	4,780,894
Note payable		135,941
Capital lease obligation	678,130	993,079
Total liabilities	5,707,415	5,909,914
Stockholders' deficit		
Common stock	2,075,000	2,075,000
Accumulated deficit	(3,958,880)	(3,070,200)
Total stockholders' deficit	(1,883,880)	(995,200)
Total liabilities and stockholders' deficit	<u>\$ 3,823,535</u>	<u>\$ 4,914,714</u>