

CALIFORNIA

# **STYLE PALMS** INC.

## **AMENDED FINANCIAL STATEMENTS**

**JUNE 30, 2016**

# Gregory Palm Farms, LLC

## BALANCE SHEET

As of June 30, 2016

	TOTAL
<b>ASSETS</b>	
<b>Current Assets</b>	
Bank Accounts	
California Bank & Trust	17,116.65
Total Bank Accounts	<u>\$17,116.65</u>
Accounts Receivable	
Accounts Receivable	25,657.02
Reserve for Depreciation	0.00
Total Accounts Receivable	<u>\$25,657.02</u>
Other current assets	
Auto	34,755.00
Credit Card Receivables	3,500.00
Inventory Asset	6,669,419.00
Prepaid Expenses	10,000.00
Undeposited Funds	2,255.20
Total Other current assets	<u>\$6,719,929.20</u>
<b>Total Current Assets</b>	<u><b>\$6,762,702.87</b></u>
<b>Other Assets</b>	
Depreciation Expense	2,527.00
Depreciation Reserve1	-10,615.00
Total Other Assets	<u><b>\$ -8,088.00</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$6,754,614.87</b></u>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	17,296.18
Total Accounts Payable	<u>\$17,296.18</u>
Other Current Liabilities	
Board of Equalization- San Diego Payable	0.00
Loan Payable	0.00
Los Angeles, Board of Equalization Payable	0.00
Orange Board of Equalization Payable	0.00
Orange, Board of Equalization Payable	8,351.12
San Bernardino Board of Equalization Payable	0.00
Trust Accounts - Liabilities	0.00
Total Other Current Liabilities	<u>\$8,351.12</u>
Total Current Liabilities	<u><b>\$25,647.30</b></u>
Long-Term Liabilities	
Notes Payable	665,945.37
Total Long-Term Liabilities	<u><b>\$665,945.37</b></u>

	<b>TOTAL</b>
<b>Total Liabilities</b>	<b>\$691,592.67</b>
<b>Equity</b>	
Additional Paid in Capital	5,829,980.00
Common Stock	1,242.00
Opening Balance Equity	0.00
Retained Earnings	161,798.39
Subscription Receivable	0.00
Net Income	70,001.81
<b>Total Equity</b>	<b>\$6,063,022.20</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$6,754,614.87</b>

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# Gregory Palm Farms, LLC

## PROFIT AND LOSS

January - June, 2016

	TOTAL
<b>Income</b>	
Moringa	1,103.27
Refunds-Allowances	-2,012.00
Sales	514,003.83
Sales of Product Income	16,278.27
Services	164,474.64
Shipping, Delivery Income	30,228.00
<b>Total Income</b>	<b>\$724,076.01</b>
<b>Gross Profit</b>	<b>\$724,076.01</b>
<b>Expenses</b>	
Advertising	1,559.11
Auto Maintenance	10,740.51
Bad Debts	2,300.00
Bank Charges	2,773.40
Bank Service Charges	957.90
Car Expense	-500.00
CEO Draw	8,981.03
Commissions & fees	218,331.72
Crane Rental	38,151.75
Dues & Subscriptions	844.87
Equipment Lease	18,664.12
Fuel	27,692.51
Insurance	690.00
Insurance- Auto	12,468.50
Insurance- Workers Compensation	6,005.60
Legal & Professional Fees	7,549.52
Note	112,535.27
Office Expenses	4,411.48
Payroll	52,280.17
Phone Bill	2,293.89
Purchases	20,575.00
QuickBooks Payments Fees	5,940.13
Rent or Lease	4,459.28
Repair & Maintenance	8,933.62
Sales Tax	3,518.37
Supplies	24,724.99
Taxes & Licenses	5,599.65
Telephone	1,304.95
Tractor Payments	18,506.85
Travel	1,126.58
Travel Meals	6,512.27
Truck Rental	5,723.70
Uniforms	2,138.57
Utilities	16,240.79

	<b>TOTAL</b>
<b>Total Expenses</b>	<b>\$654,036.10</b>
<b>Net Operating Income</b>	<b>\$70,039.91</b>
<b>Other Expenses</b>	
<b>Miscellaneous</b>	<b>38.10</b>
<b>Total Other Expenses</b>	<b>\$38.10</b>
<b>Net Other Income</b>	<b>\$ -38.10</b>
<b>Net Income</b>	<b>\$70,001.81</b>

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			CALIFORNIA STYLE PALMS INC					
			STATEMENT OF SHAREHOLDER EQUITY					
			For the Period 12-31-2012 to 6-30-16					
				UNAUDITED				
					ADDITIONAL		TOTAL	
		COMMON	PREFERRED		PAID IN	ACCUMULATED	SHAREHOLDER	
		SHARES	SHARES	AMOUNT	CAPITAL	EARNINGS	EQUITY	
BALANCE	12/31/12	1,920,447	0	192	0	0	192	
Stock Issued for Acquisition				1,050			1,050	
of Gregory Palm Farms		10,500,000	0		5,829,980		5,829,980	
Net Income						316,786	316,786	
BALANCE	12-31-2013	12,420,447	0	1,242	5,829,980		6,148,007	
Net Income						-472,159.00	-472,158	
BALANCE	12-31-2014	12,420,447	0	1,242	5,829,980		5,675,849	
Net Income						322,657.00	312,656	
BALANCE	12-31-2015	12,420,447	0	1,242	5,829,980		5,988,506	
Net Income						50,878.89	50,879	
BALANCE	06/30/2016	12,420,447	0	1,242	5,829,980		6,039,384	

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# Gregory Palm Farms, LLC

## STATEMENT OF CASH FLOWS

January - June, 2016

	<b>TOTAL</b>
<b>OPERATING ACTIVITIES</b>	
Net Income	70,001.81
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	50,584.40
Credit Card Receivables	-3,500.00
Accounts Payable	-110,681.00
Orange, Board of Equalization Payable	8,351.12
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	<u>-55,245.48</u>
Net cash provided by operating activities	<b>\$14,756.33</b>
<b>FINANCING ACTIVITIES</b>	
Notes Payable	-7,499.99
Opening Balance Equity	-53.45
Net cash provided by financing activities	<u>\$ -7,553.44</u>
Net cash increase for period	<b>\$7,202.89</b>
Cash at beginning of period	12,168.96
Cash at end of period	<u><b>\$19,371.85</b></u>

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# Notes to California Style Palms Inc. Unaudited Financial Statements for the Period Ending June 30, 2016

## **Note 1 - General**

**Business** - California Style Palms, Incorporated, a Delaware Corporation ("California Style Palms", and also referred to herein as "us", "we" and "our"), formerly known as Holdings US, Inc. was formed in July of 2013 and is headquartered in Orange, California. In September 30, 2013, the Company acquired the operations and assets with the exception of the real estate of Gregory Palm Farms as the first in a series of planned acquisitions of palm farms. Our plan is to acquire and consolidate palm farms that fit specific market criterion and utilize non-farmable acreage to develop facilities for the generation of solar power for resale.

## **Note 2 - Summary of Significant Accounting Policies**

**Basis of Presentation** - The financial statements and accompanying notes to the financial statements are prepared in accordance with US GAAP and are unaudited. We believe these statements include all adjustments, which are of a normal and recurring nature, considered necessary for a fair presentation of the financial statements. The unaudited financial statements included herein should be read in conjunction with the financial statements and notes thereto.

**Use of Estimates** - The preparation of the condensed consolidated financial statements in conformity with US GAAP 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, which are recorded in the period in which they become known.

**Revenue Recognition** - We derive revenues primarily from the sale and installation of decorative palm trees. Revenues are recognized when: (a) persuasive evidence of the sales arrangement exists, (b) the arrangement fee is fixed or determinable, (c) service delivery or performance has occurred, (d) customer acceptance has been received, if contractually required, and (e) collect-ability of the arrangement fee is probable.

**Inventory** - We recognize inventory at the lower of cost or market. Inventory is booked net

reserve for inventory on which the cost basis is higher than the market price which the Company can sell the inventory.

#### **Property, Plant and Equipment -**

Property, plant and equipment is stated at cost less accumulated depreciation and impairment, if any. Acquisition costs include expenditures that are directly attributable to the acquisition of the asset. Such costs include the cost of replacing part of the asset and dismantling and restoring the site of an asset if there is a legal or constructive obligation and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred. Depreciation is calculated using the straight-line method based on the estimated useful lives of the related assets and starts when the asset is available for use as intended by management. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

The useful lives of tangible fixed assets are as follows:

- Buildings 33 to 50 years  
Machinery and equipment 3 to 14 years
- Furniture, fixtures, equipment and vehicles 5 to 10 years

#### **Long Term Liabilities -**

We account for Liabilities owed by the Company to third parties as Long Term Liabilities if the debt or obligation due over one year from the date of the balance sheet. Any portion of the long Term Liability obligation due within one year is treated as a current portion of Long Term Liability and shown as a current liability on the balance sheet.

#### **Recent Accounting Pronouncements**

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-02, Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income. The update improves the reporting of reclassifications out of accumulated other comprehensive income for certain transactions and is applied prospectively for periods beginning January 1, 2013. We do not anticipate that the accounting pronouncement will have a material impact on our consolidated financial statements in future periods.

In March 2013, the FASB issued ASU No. 2013-05, Liabilities (Topic 830): Parent's Accounting for

Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity. The ASU is effective beginning after December 15, 2013 and requires the release of any cumulative translation adjustment into net income upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity. We do not anticipate that the accounting pronouncement will have a material impact on our consolidated financial statements in future periods.

In July 2013, the FASB issued ASU No. 2013-11, Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carry forward Exists. The ASU is effective for periods beginning after December 15, 2013 and standardizes the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. We do not anticipate that the accounting pronouncement will have a material impact on our consolidated financial statements in future periods.

From time to time, various other new accounting pronouncements are issued that we adopt as of the specified effective date. We believe that the impact of any other recently issued standards that are not yet effective will not have a material impact on our results of operations and financial position.

### **Note 3 - Stockholders' Equity**

The Company has authorized 500,000,000 shares of Common Stock, with a par value of \$0.0001 and 100,000,000 shares of Preferred Stock. As of December 31, 2014 the Company has issued 1,920,447 shares of its Common Stock. As of December 31, 2015 the Company issued an additional 10,500,000 shares for the acquisition of Gregory Palm Farms bringing the total outstanding shares to 12,420,447. The Company has no preferred shares issued or outstanding.