

Gregory Palm Farms, LLC

PROFIT AND LOSS

January - December 2016

	TOTAL	
	JAN - DEC 2016	JAN - DEC 2015 (PY)
INCOME		
Moringa	2,243.42	1,814.06
Sales	992,371.82	975,590.07
Sales of Product Income	75,434.96	8,056.19
Services	363,753.02	261,464.95
Shipping, Delivery Income	63,140.32	51,413.80
Total Income	\$1,496,943.54	\$1,298,339.07
COST OF GOODS SOLD		
Cost of Goods Sold		-112,689.08
Other Costs - COS		80,460.85
Total Cost of Goods Sold	\$0.00	\$ -32,228.23
GROSS PROFIT	\$1,496,943.54	\$1,330,567.30
EXPENSES		
Advertising	11,732.63	11,440.61
Auto Maintenance	23,866.73	19,686.25
Bad Debts	7,825.00	7,500.00
Bank Charges	4,685.58	8,852.11
Bank Service Charges	3,547.22	4,802.66
Bonus		500.00
CEO Draw	48,122.68	58,110.82
Commissions & fees	437,317.41	97,346.88
Crane Rental	57,904.12	31,627.50
Depreciation Expense ¹		10,615.00
Disposal Fees	356.19	
Donation		721.20
Dues & Subscriptions	1,933.03	1,352.70
Equipment Lease	66,818.89	8,530.36
Fuel	47,742.43	36,609.70
Insurance	1,188.08	750.00
Insurance - Liability	3,176.22	7,319.69
Insurance- Auto	12,793.98	13,245.25
Insurance- Life	4,442.64	1,818.00
Insurance- Workers Compensation	5,050.38	1,487.81
Job Materials		442.46
Legal & Professional Fees	23,422.53	26,394.86
Meals and Entertainment	409.41	8,552.64
Mechanic		3,435.84
Note	250,000.45	306,446.04
Office Expenses	7,817.82	6,014.49
Outside labor		3,440.00
Payroll	99,158.03	52,053.39
Phone Bill	2,293.89	1,672.65

	TOTAL	
	JAN - DEC 2016	JAN - DEC 2015 (PY)
QuickBooks Payments Fees	11,300.62	3,357.17
Rent or Lease	12,968.78	12,042.50
Repair & Maintenance	21,929.62	34,966.64
Sales Tax	11,600.47	23,243.27
Shipping and delivery expense		3,462.04
Stationery & Printing		106.92
Subcontractors		735.00
Supplies	48,736.11	57,255.27
Taxes & Licenses	10,175.17	2,405.04
Telephone	5,075.17	4,532.48
Tractor Payments	19,598.19	63,113.61
Transfer	79,845.00	
Travel	1,201.58	40.48
Travel Meals	15,536.10	5,587.69
Truck Rental	5,424.69	1,897.05
Uncategorized Expense		0.00
Uniforms	4,153.80	5,268.28
Utilities	39,242.77	31,068.52
Website		49.90
Total Expenses	\$1,408,393.41	\$979,900.77
NET OPERATING INCOME	\$88,550.13	\$350,666.53
OTHER INCOME		
Interest Earned	0.15	
Other Ordinary Income	10,000.00	
Total Other Income	\$10,000.15	\$0.00
NET OTHER INCOME	\$10,000.15	\$0.00
NET INCOME	\$98,550.28	\$350,666.53

Gregory Palm Farms, LLC

BALANCE SHEET

As of December 31, 2016

	TOTAL	
	AS OF DEC 31, 2016	AS OF DEC 31, 2015 (PY)
ASSETS		
Current Assets		
Bank Accounts		
California Bank & Trust	46,244.81	8,124.75
Chase Bank	1,941.17	
Wells Fargo	-12,787.92	
Total Bank Accounts	\$35,398.06	\$8,124.75
Accounts Receivable		
Accounts Receivable	114,368.22	85,241.42
Reserve for Depreciation	0.00	0.00
Total Accounts Receivable	\$114,368.22	\$85,241.42
Other Current Assets		
Auto	34,755.00	34,755.00
Credit Card Receivables	3,500.00	0.00
Inventory Asset	6,669,419.00	6,669,419.00
Prepaid Expenses	10,000.00	10,000.00
Undeposited Funds	0.00	0.00
Total Other Current Assets	\$6,717,674.00	\$6,714,174.00
Total Current Assets	\$6,867,440.28	\$6,807,540.17
Other Assets		
Depreciation Expense	2,527.00	2,527.00
Depreciation Reserve1	-10,615.00	-10,615.00
Total Other Assets	\$ -8,088.00	\$ -8,088.00
TOTAL ASSETS	\$6,859,352.28	\$6,799,452.17
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	-22,414.73	88,266.27
Total Accounts Payable	\$ -22,414.73	\$88,266.27
Other Current Liabilities		
Board of Equalization- San Diego Payable	0.00	0.00
Loan Payable	0.00	0.00
Los Angeles, Board of Equalization Payable	0.00	0.00
Orange Board of Equalization Payable	0.00	0.00
Orange, Board of Equalization Payable	12,970.66	-36.00
San Bernardino Board of Equalization Payable	0.00	0.00
Trust Accounts - Liabilities	0.00	0.00
Total Other Current Liabilities	\$12,970.66	\$ -36.00
Total Current Liabilities	\$ -9,444.07	\$88,230.27
Long-Term Liabilities		

	TOTAL	
	AS OF DEC 31, 2016	AS OF DEC 31, 2015 (PY)
Notes Payable	967,956.62	908,879.00
Total Long-Term Liabilities	\$967,956.62	\$908,879.00
Total Liabilities	\$958,512.55	\$997,109.27
Equity		
Additional Paid in Capital	5,594,546.36	5,594,546.36
Common Stock	1,242.00	1,242.00
Opening Balance Equity	0.00	53.45
Retained Earnings	206,501.09	-144,165.44
Subscription Receivable	0.00	0.00
Net Income	98,550.28	350,666.53
Total Equity	\$5,900,839.73	\$5,802,342.90
TOTAL LIABILITIES AND EQUITY	\$6,859,352.28	\$6,799,452.17

Gregory Palm Farms, LLC

STATEMENT OF CASH FLOWS

January - December 2016

	TOTAL
OPERATING ACTIVITIES	
Net Income	98,550.28
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	-29,126.80
Credit Card Receivables	-3,500.00
Inventory Asset	0.00
Accounts Payable	-110,681.00
Orange, Board of Equalization Payable	13,006.66
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-130,301.14
Net cash provided by operating activities	\$ -31,750.86
FINANCING ACTIVITIES	
Notes Payable	-14,922.38
Notes Payable:Loan Payable-US	24,000.00
Affiliated/Bob Cashman	
Notes Payable:Notes Payable-Avetysn	50,000.00
Opening Balance Equity	-53.45
Net cash provided by financing activities	\$59,024.17
NET CASH INCREASE FOR PERIOD	\$27,273.31
CASH AT BEGINNING OF PERIOD	8,124.75
CASH AT END OF PERIOD	\$35,398.06

CALIFORNIA STYLE PALMS, INC,
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED 2016 AND 2015
UNAUDITED

RESTATED

	<u>2016</u>	<u>2015</u>
REVENUES		
Sales	1,496,943	1,331,493
Cost of Sales	355,642	108,407
GROSS MARGIN	1,141,301	1,223,086
OPERATING EXPENSES		
Sales & Marketing	181,961	214,662
General & Administrative	751,993	733,353
Depreciation Expense	<u>10,615</u>	<u>11,580</u>
TOTAL OPERATING EXPENSES	944,569	959,595
OPERATING INCOME	196,732	263,491
OTHER INCOME (LOSS)		
Interest Income	0	0
Provisions for Income Taxes	0	0
NET INCOME	196,732	263,491
Net Income (Loss) Per Share, Basic & Deluded:	\$0.10	\$0.02

CALIFORNIA STYLE PALMS, INC.
STATEMENT OF SHAREHOLDER EQUITY
UNAUDITED

	SHARES	AMOUNT	ADDITIONAL PAID IN CAPITAL	ACCUMULATED EARNINGS	SUB. REC.	TOTAL SHAREHOLDER EQUITY
BALANCE 12/31/12	1,920,447	1920	0	0		1,920
Net Income				30,657		
BALANCE 12/31/2013	1,920,447	1,920	0	30,657		1,920
Acquisition of Gregory Palm Farms	10,500,000	10,500	6,315,610			10,500
Additional Paid In Capital						
Net Income				-866,245		
Subscription Receivable				-10,500		-10,500
BALANCE 12/31/2014	12,420,447	12,421	6,315,610	-866,245	-10,500	5,381,942
Net Income				263,491		263,491
BALANCE 12/31/2015	12,420,447	12,421	6,315,610	572,097	-10,500	5,745,434
Net Income				98,550		98,550
BALANCE 12/31/2015	12,420,447	12,421	6,315,610	670,647	-10,500	5,843,984

Notes to California Style Palms Inc. Unaudited Financial Statements
For the Periods Ending December 31, 2016 and 2015

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 Account 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 Account 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 the future periods.

In March 2013, the FASB issued ASU No. 2014-05, 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 14, 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 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 carry forward exists. We do not anticipate 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.