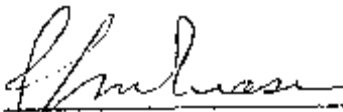


I, José Tomás Masís, President of Equipment and Systems Engineering, Inc., hereby certify that the financial statements filed herewith fairly present, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principals generally accepted in the United States, consistently applied.

Dated this 8th day of November, 2007



José Tomás Masís
President

EQUIPMENT AND SYSTEMS ENGINEERING, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

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October 30,2007

Equipment and Systems Engineering, Inc.
Miami, Florida

ACCOUNTANTS' COMPILATION REPORT

We have compiled the accompanying Balance Sheet of Equipment and Systems Engineering, Inc. as of September 30,2007 and the related statements of Income and Retained Earnings, Cash Flows and Stockholders' Equity for the nine months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Company, with the consent of its stockholders, has elected, under the Internal Revenue Code, to be an "S Corporation", under which status the Company does not pay income taxes, but the stockholders are taxed has been included in these financial statements.

As explained in Notes "1" and "4" of the attached Notes to Financial Statements, the Company, with the consent of its stockholders, has revoked the "S Corporation" to be effective on October 31,2004, and has changed its capital structure to allow for common and preferred stock to be issued.

LOPEZ LEVI & ASSOCIATES, P.A., CPAs

*Certified
Public Accountants
and Associates*

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EQUIPMENT & SYSTEMS ENGINEERING, INC.
BALANCE SHEET
AS OF SEPTEMBER 30,2007

ASSETS

CURRENT ASSETS

Accounts receivable	\$ 262,337
Inventories	928,154
	<u>\$ 1,190,491</u>

PROPERTY AND EQUIPMENT, at cost

Accumulated depreciation	\$ 79,986
	<u>(79,986)</u>
	<u>\$ -</u>

OTHER ASSETS

Notes receivable, stock purchase	\$ 600,000
Prepaid advisory fees	73,434
Deposits	1,164
	<u>\$ 674,598</u>

TOTAL ASSETS

\$ 1,865,089

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

Bank overdraft	\$ 19,307
Accounts payable, trade	110,413
Taxes payable	17,702
Customers deposits	55,689
Loans payable, banks	138,088
	<u>\$ 341,199</u>

OTHER LIABILITIES

Loans from shareholder	438,759
------------------------	---------

TOTAL LIABILITIES

\$ 779,958

SHAREHOLDERS' EQUITY

Common stock (300,000,000 shares of common stock, \$0.001 par value each authorized; 71,386,384 issued and outstanding)	\$ 71,386
Paid in capital	928,048
Preferred stock(30,000,000 shares of preferred stock,\$0.001 par value each authorized; none issued)	-
Retained earnings	85,697
	<u>\$ 1,085,131</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

\$ 1,865,089

See attached notes to financial statements and accountants' compilation report.

**EQUIPMENT AND SYSTEMS ENGINEERING, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE NINE MONTHS ENDED SEPTEMBER 30,2007**

REVENUES

Sales	\$ 1,031,024
Cost of sales	641,039
GROSS MARGIN	<u>\$ 389,985</u>

EXPENSES

Salaries	\$ 82,828
Travel and entertainment	13,707
Commissions	6,750
Communications	11,161
Auto	14,520
Rent	27,666
Taxes and licenses	19,183
Insurance	24,146
Interest	45,007
Other	25,439
Officer's salaries	72,000
TOTAL EXPENSES	<u>\$ 342,407</u>

NET INCOME FROM OPERATIONS, before taxes	\$ 47,578
Income tax	7,137
NET INCOME FROM OPERATIONS, after taxes	<u>\$ 40,441</u>
Retained earnings at beginnig of period	45,256
RETAINED EARNINGS AT END OF PERIOD	<u><u>\$ 85,697</u></u>

See attached notes to financial statements and accountants' compilation report.

EQUIPMENT & SYSTEMS ENGINEERING, INC.
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30,2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (loss)	\$ 40,441
Adjustments to reconcile net income cash provided by operations:	
(Increase)Decrease in accounts receivable	149,970
(Increase)Decrease in notes receivable	-
(Increase)Decrease in inventories	(287,708)
(Increase)Decrease in accounts payable	(8,467)
(Increase)Decrease in taxes payable	5,830
(Increase)Decrease in income taxes	(6,844)
(Increase)Decrease in customers deposits	18,999
Net cash from operations	\$ (87,779)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on loans	\$ (37,475)
(Increase)Decrease in shareholders loans	91,300
Net cash used by financing activities	\$ 53,825
NET INCREASE IN CASH	\$ (33,954)
CASH AT THE BEGINNIG OF PERIOD	14,647
CASH AT END OF PERIOD	\$ (19,307)

See attached Notes to Financial Statements and Accountants' Compilation Report.

**EQUIPMENT AND SYSTEMS ENGINEERING, INC.
STATEMENT OF STOCKHOLDERS' EQUITY**

	<u>COMMON STOCK</u>	<u>PREFERRED STOCK</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
Balance, December 31,2001	\$ 1,000	-	\$ (108,619)	\$ (107,619)
Net income for the year ended December 31,2002	-	-	4,683	4,683
Balance, December 31,2002	\$ 1,000	-	\$ (103,936)	\$ (102,936)
Net income for the year ended December 31,2003	-	-	15,636	15,636
Balance, December 31,2003	\$ 1,000	-	\$ (88,300)	\$ (87,300)
Net income for the year ended December 31,2004	-	-	39,720	39,720
Income tax			(5,049)	(5,049)
Increase in authorized capital stock (see note 4)	998,434	-	-	998,434
Balance, December 31,2004	<u>\$ 999,434</u>	-	<u>\$ (53,629)</u>	<u>\$ 945,805</u>
Net income (loss) for the year ended December 31,2005	-	-	51,551	51,551
Income tax			(10,594)	(10,594)
Balance, December 31,2005	<u>\$ 999,434</u>	-	<u>\$ (12,672)</u>	<u>\$ 986,762</u>
Net income for the year ended December 31,2006			70,571	70,571
Income tax			(12,643)	(12,643)
Balance, December 31,2006	<u>\$ 999,434</u>	<u>\$ -</u>	<u>\$ 45,256</u>	<u>\$ 1,044,690</u>
Net income for the nine months ended September 30,2007			\$ 40,441	\$ 40,441
Balance, September 30,2007	<u><u>\$ 999,434</u></u>	<u><u>-</u></u>	<u><u>\$ 85,697</u></u>	<u><u>\$ 1,085,131</u></u>

See attached Notes to Financial Statements and
Accountants' Compilation Report.

EQUIPMENT AND SYSTEMS ENGINEERING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30,2007

NOTE 1 - Nature of operations and significant accounting policies.

Equipment and Systems Engineering, Inc. (the Company) was incorporated on September 25,1986 and began operations on January 2,1987. It is engaged in the sale and export of equipment and supplies, and in the manufacture and sale of sodium hypo chloride generators.

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Revenues and expenses are recognized on the accrual basis. Inventories are accounted for in the first in-first out method, and depreciation and amortization are provided principally on the straight-line method over the estimated lives of the assets. There is no allowance for uncollectible accounts, since management feels confident about the collectibility of all accounts.

The Company has elected for an "S Corporation" status, under which the Company does not pay federal or state income taxes, but profits or losses from are included on a pro rata basis in the shareholders' individual taxable income. Accordingly, there is no provision for federal or state income taxes.

On October 20,2004, the Company filed a revocation of its "S Corporation" status to be effective on October 31,2004

NOTE 2 - Loans payable, banks.

The Company has obtained a loan from Bank of America, N.A. This loan is for \$250,000 and the interest rate is three percentage points over Bank of America's prime rate. It requires fifty nine principal payments of \$2,500 plus a monthly payment of all accrued unpaid interest. At the end, there is a principal and interest payment of \$128,550. The loan is dated on May 10,2004 and the final payment is due on May 10,2009. The shareholder, Jose T. Masis, personally, absolutely and unconditionally guarantees the transaction.

NOTE 3 - Lease agreement.

There is a lease for the premises occupied by the Company, which expired on June 30,2004. Since July 1, 2004, the Company has been renting on a month to month basis. The expired lease required a monthly payment of \$2,450, which included rent, sales tax, property taxes and condo fee, and is the amount of the monthly payment being made after expiration.

NOTE 4 - Changes in Capital Stock.

The Company filed, on October 14,2004, documentation with the Florida Division of Corporations, amending the original charter in respect to its Capital Stock. The Corporation shall be authorized to issue 300,000,000 shares of Common Stock, \$0.001 par value each, and 30,000,000 shares of Preferred Stock, \$0.001 par value each. (continues)

EQUIPMENT AND SYSTEMS ENGINEERING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30,2007

NOTE 4 - Changes in Capital Stock (continuation)

On October 22,2004, the directors unanimously consented to authorize a 112,000 to 1 forward split of the Company's common stock, such that Jose T. Masis shall hold 56,000,000 shares. On the same date the Company signed "Securities Subscription Agreements" for 1,056,646 shares of common stock in exchange for Advisory Services valued in \$73,434, recorded under Other Assets as Prepaid Advisory Fees. On the same date, the Company signed "Securities Subscription Agreements" for 14,329,738 shares of common stock in exchange for non interest bearing Notes Receivable in the total amount of \$930,000, due on April 22,2005. These notes were replaced by new notes due January 21,2006. On January 19,2006, the amount of \$75,000 was paid against the notes receivable, and new notes for \$855,000 due July 27,2006 were issued. Additional payments of \$20,000 on March 7,2006, of \$15,000 on March 10,2006, \$70,000 on May 5,2006 and \$150,000 on October 25,2006, were received.

NOTE 5 - Property and Equipment.

The following summarizes the significant components of fixed assets as of September 30,2007:

	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>
Furniture and equipment	\$ 22,513	\$ 22,513
Transportation equipment	21,579	21,579
Leasehold improvements	<u>35,894</u>	<u>35,894</u>
Totals	<u>\$ 79,986</u>	<u>\$ 79,986</u>