Macada Holding, Inc.

Annual Report

Period ending 12/31/2010

Note 1-Business and Basis of Presentation

There were many changes in the operations of Macada Holding, Inc. in 2010. An ongoing investigation is still in progress to best protect the share holders and the assets of the company.

In accordance with Financial Accounting Standards Board Accounting Standards Codification (ASC) ASC 915 *Development Stage entities,* entities have not commenced planned principal operations or that have planned principle operations but have no significant revenue from such activities are deemed development stage entity. The Company is a development stage entity with a limited operating history. To date, the Company has not generated revenues, and it has incurred net losses since inception. The Company expects its losses to continue and increase as the Company seeks regulatory approval and initiates commercialization activities.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual statements could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three (3) months or less at purchase to be cash equivalents.

Trade Accounts Receivable

Trade accounts receivable will be recorded at the invoiced amount. The Company will establish an allowance based on its best estimate of the amount of probable credit losses in the Company's existing accounts receivable.

Property, Plant and Equipment

The Company will record property, plant and equipment and lease hold improvements at historical cost. Expenditures for maintenance and repairs will be charged to expense, additions and improvements will be capitalized. The Company will provide for depreciation using the straight-line method at rates that approximate the estimated useful live of the assets. Leasehold improvements will be amortized on a straight-line basis over the shorter of the useful life or the improvement or the remaining term of the lease.

Note 2 – Summary of Significant Accounting Policies, Continued

Intangible Assets

The Company adopted the provisions of ASC 350, *Intangibles – Goodwill and Other*. Pursuant to ASC 350, goodwill and intangible assets acquired in a purchase business combination and determined to have indefinite lives and licenses acquired with no definite term will not be amortized, but instead will be tested for impairment at least annually in accordance with the provisions of this Statement. Identifiable intangibles with estimated useful lives will be amortized over their respective estimated useful lives and reviewed for impairment in accordance with ASC 360-10-35, *Impairment or Disposal of Long-Lived Assets.*

Advertising Costs

Advertising costs are expensed when incurred.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"). Under this method, deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets of assets and liabilities given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on change to the assets or liabilities from year to year. In providing for deferred taxes, the Company considers tax regulations of the jurisdictions in which it operates, estimates of future taxable income, and available tax planning strategies. If tax regulations, operating results or ability to implement tax-planning strategies vary, adjustments to the carrying value of deferred tax assets and liabilities may be required. Valuation allowances are recorded to deferred tax assets based on the more-likely –than-not criteria of ASC 740.

ASC 740 requires the recognition of the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the "more-likely-than-not" threshold, the amount recognized in the financial statements is the largest benefit that has a 50% likelihood of being realized upon ultimate settlement with the relevant tax authority.

Revenue Recognition

It is the Company's policy that revenue will be recognized when pervasive evidence of an arrangement exists, delivery has occurred (or service has been performed), the sales price is fixed and determinable, and collectability is reasonably assured.

Research and Development

Research and development costs and any costs associated with internally developed patents, formulas or other proprietary technology are expensed as incurred.

Note 2 – Summary of Significant Accounting Policies, Continued

Long-Lived Assets

The Company will review its long-lived assets, including tangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses or a forecasted inability to achieve breakeven operating results over an extended period. The Company will evaluate the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should an impairment in value of intangible assets will be adjusted based on estimates of future discounted cash flows resulting from the use and ultimate disposition of assets.

Stock-Based Compensation

The Company will account for share-based payments in accordance with ASC 718, *Stock Compensation (“ASC 718”),* which requires the measurement and recognition of compensation expense for all share hold based payment awards made to employees, officers, directors, and consultants, including employee stock options based on estimated fair values. ASC 718 requires companies to estimate the fair value of share-based payment awards on the date of grant using an option pricing model. The value of the portion of award that is ultimately expected to vest is recognized as expense over the required service period in the Company’s Statement of Operations. Stock –based compensation is based on awards ultimately expected to vest and is reduced for estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, as necessary, in subsequent periods if actual forfeitures differ from those estimates. For purposes of determining estimated fair value of share-based payment awards on the date of the grant under ASC 718, the Company plans to use the Black-Scholes option-pricing model.

Recently Issued Accounting Pronouncements

In Mat 2009, the Financial Accounting Standards Board issued ASC 855. *Subsequent Events* which established general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Recognized subsequent events should be recognized in the financial statements since the condition existed at the date of the balance sheet. Non-recognized subsequent events are not recognized in the financial statements since the condition arose after the balance sheet date but before the financial statements are issued or are available to be issued. This Standard, which includes a required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009.

Note 3 – Income Taxes

The Company evaluates its ability to realize its deferred assets each period and adjusts the amount of its valuation allowance, if necessary. If there is an ownership change as defined under Internal Revenue

Note 3 – Income Taxes- continued

Code Section 382, the use of operating loss and credit carry-forwards may be subject to limitation on use. ASC 740 requires that a valuation allowance be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. A review of all positive and negative evidence needs to be considered, including current and past performance, the market environment in which the Company operates, the utilization of past tax credits and the length of carry-back and carry –forward periods. Forming a conclusion that valuation allowance is not needed is difficult when there is negative objective evidence such as cumulative losses. Cumulative losses weigh heavily in the overall assessment. The Company has applied a valuation 100% valuation allowance against its net deferred tax assets as of December 31, 2010.

The Company's loss before income tax is comprised entirely of operations in the United States. The effective tax rate of 0% differs from the statutory United States federal income tax rate of 35% due primarily to the valuation allowance.

Note 4 – Liquidity and Going Concern

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States, which contemplate continuation as a going concern. The Company is a development stage corporation, has incurred operating losses since inception. There can be no assurance that the Company will be able to generate positive cash flow to fund its operations in the future or to pursue its strategic alternatives. To date the Company has financed its development stage operations primarily through the sale of common stock, advances affiliates and deferral in payment of salaries. The Company has developed and is continuing to strive to implement an operating plan intended to eventually achieve sustainable profitability and positive cash flow from its operations. Key components of this plan include generating revenue and cash flows to be derived from production and controlling costs.

Note 5 – Commitments and Contingencies

Classification of Employees as Independent Contractors

The Company has contracts with certain individuals as service providers. Since these individuals are regarded as independent contractors, the Company does not withhold federal or state income taxes, make federal or state unemployment tax payments or provide workers compensation insurance with respect to such independent contractors. The Company believes' that this classification of these individuals as independent contractors is proper for federal tax purposes.

Should the IRS determine that reclassification is required, such reclassification may have a material impact on the Company's operating results.

Distribution Agreements

The Company has entered into certain distribution agreements to market and sell its products.

MACADA HOLDING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF THE BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business – Macada Holding, Inc. is a holding company. ("Macada " or the "Company") is engaged in the acquisition and development of certain subsidiaries.

Fiscal Year - The Company operates on a fiscal year ending on December 31.

Estimates and Uncertainties – The financial statements have been restated in light of the ongoing investigation of the Company's former President. The Company believes it is impossible to create accurate statements until this investigation is complete and the financial statements of the Company have been independently audited. In the interim, the Company has made certain estimates as to the value of its assets and other matters. Actual results could differ materially from those estimates.

NOTE 2: ASSETS OF THE COMPANY.

The value of the Company's investment has been estimated according to the estimated costs of acquisition. The value of the fixed assets has been estimated and restated. Goodwill has been written off.

NOTE 3: LIABILITIES

Previously unrecorded liabilities incurred in acquiring the Company's subsidiaries have been added. Liabilities have been recorded for unpaid salaries and professional fees.

Macada Holdings, Inc.
Balance Sheet
30-Sep-10

Cash		0.00
Investment in Lyfetec		824,894.04
Investment in Pembroke Range		227,024.04
Arizona Mining Interests		1.00
Due from Global Triad		0.00
Due from Global Web		0.00
Due from Lyfetec		0.00
Total Other Current Assets		1,051,918.08
Fixed Assets		
Accumulated depreciation		
Computer equipment		300.00
ERH Units RV		0.00
Furniture and equipment		0.00
Leasehold improvements		0.00
Office equipment		0.00
Total Fixed Assets		300.00
Other Assets		
Goodwill		0.00
Deposit		
Public shell		0.00
Total Deposits		
Organizational Costs		16,000.00
Total Other Assets		0.00
Total Assets	1,068,218.08	
Liabilities and Equity		
Liabilities and Equity		
Current Liabilities		
Salaries and professional fees		650,000.00
Due to Pembroke		162,000.00
Due to Lyfetec		200,000.00
Total Other Current Liabilities		
Total Liabilities		1,012,000.00
Equity		
Additional Paid in Capital		1,125,671.83
Common Stock		429,380.33
Retained Earnings	-1,439,130.40	
Net Income		2,451,130.04
Total Equity		214,868.91
Total Liabilities and Shareholders Equity		1,068,218.08

Macada Holdings, Inc.
Income Statement
31-Dec-10

Revenues	0.00
Expense	

Compensation	992,500.00	
Contract labor		
Miscellaneous		5,000.00
Moving expense		
Press release expense		400.00
Rent expense		
Net Ordinary Income		997,900.00
Other Income/Expense		
Adjustment to assets	1,431,666.28	
Lyfetec Income (Loss)		0.00
Pembroke Income (Loss)		
Total Other Income		137,065.28
Net Income	-2,298,166.00	

Macada Holdings, Inc.
Statement of Cash Flows
31-Dec-10

Operating Activities	
Net Income	2,298,166.00
Adjustments for changes in current assets	1,982,301.34
Adjustments for changes in fixed assets	-69,017.06
Adjustment for changes in other assets	-481,618.00
Increase in accounts payable	739,620.00
Net cash provided by Operating Activities	-902,472.98
Net cash provided by financing activities	454,601.00
Net cash increase (decrease) for period	-5,783.21
Cash at beginning ov period	5,783.21
Cash at end of period	0.00

Macada Holdings, Inc.
Statement of Changes in Shareholders Equity
31-Dec-10

	Common Stock		**Preferred**	
	Par Value	**Shares**	**Par Value**	**Shares**
Balance at June 30, 2010	3,878.55	38,785.536.00	1,900.00	19,000,000.00
Net Income (Loss)				
Balance at September 30, 2010	6,979.55	69,795,536.00	1,900.00	19,000,000.00

-6,601.00

Additional Paid in Capital	Accumulated Deficit	Total
1,100,451.16	-1,468,628.53	-368,177.37
1,555,052.16	-3,773,269.99	214,868.91