

WGI HOLDINGS INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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WGI HOLDINGS INC.

BALANCE SHEET

AS AT DECEMBER 31, 2012

(UNAUDITED)

ASSETS

Current

Cash \$ 0

Other

Investments 996,725

996,725

=====

LIABILITIES

Current

Accounts payable 25,000

Loans Payable 0

SHAREHOLDERS' EQUITY

Capital Stock (note 5) 203,931

Additional Paid-In Capital 818,469

Retained Earnings (Deficit) (50,675)

971,725

996,725

=====

These financial statements and notes thereto present fairly, in all material respects, the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Gregory C. Ellis, President and Director for WGI HOLDINGS Inc.

The accompanying notes are an integral part of these financial statements.

WGI HOLDINGS INC.

STATEMENT OF SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

	<u>Number of</u> <u>Shares</u>	<u>Capital</u> <u>Stock</u>	<u>Additional</u> <u>Paid In Capital</u>	<u>Profit</u> <u>(Loss)</u>	<u>Shareholder</u> <u>Equity (Deficiency)</u>
Balance, Dec 31, 2011	22,699,482,350	203,931	818,469	(44,400)	978,000
Shares issued for cash					
Net loss for the year				(6,275)	(6,275)
Balance, December 31, 2012	22,699,482,350	203,931	818,469	(50,675)	971,725
=====					

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WGI HOLDINGS INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

Revenue

Investment income	<u>\$ 2,000</u>
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Expenses

Sales and marketing	3,250
General and administrative	<u>5,025</u>
	<u>8,275</u>

Net Income (Loss) Before Taxes and Extraordinary items	(6,275)
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Extraordinary items	<u>0</u>
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Net Income (Loss)	(6,275)
	=====

Income per weighted average number of shares Outstanding – basic and diluted	0
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Weighted average number of shares Outstanding – basic and diluted	22,699,482,350
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WGI HOLDINGS INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

Cash Flows from Operating Activities

Net Income (loss)	(6,275)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	0
Accounts payable	0
Loans Payable	<u>25,000</u>
	18,725

Cash Flows from Financing Activities

Issuance of common stock	0
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Cash Flows from Investing Activities

Investments	<u>(25,000)</u>
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Net Cash Provided In Operating Activities **(6,275)**

Cash – beginning of period **6,275**

Cash – end of period **0**
=====

Supplemental Cash Flow Information

Interest paid

Income taxes paid

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The accompanying notes are an integral part of these financial statements.

WGI HOLDINGS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

1. Operations and Business

WGI Holdings Inc. herein "the Company" was incorporated on January 19, 2006 pursuant to the laws of the State of Delaware

2. Going Concern Assumption

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is also contingent upon its ability to secure additional financing to meet its obligations as they become due.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

3. Basis of Financial Statement Presentation and Summary of Significant Accounting Policies

Basis of Financial Statement Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the requirements of item 310 (b) of regulation S-B.

Accordingly, certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission.

WGI HOLDINGS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

The financial statements reflect adjustments (consisting only normal recurring adjustments), which, in the opinion of management, are necessary for a fair presentation of the results for the periods presented. The results from operations for the interim periods are not indicative of the results expected for the full fiscal year or any future period. Certain prior period amounts have been reclassified to conform to current period presentation.

Summary of Significant Accounting Policies

a) Unit of Measurement

The United States currency is being used as the unit of measurement in these financial statements.

b) Fair Value of Financial Instruments

The estimated fair values of financial instruments have been determined by the Company using available market information and valuation methodologies. Considerable judgment is required in estimating fair value. Accordingly, the estimates may not be indicative of the amounts the Company could realize in a current market exchange. As of March 31, 2012 the carrying value of accounts payable and accrued charges and advances from shareholder approximate their fair value due to the short term maturity of such instruments.

c) Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes". Deferred tax assets and liabilities are recorded for differences between the financial statement and tax basis of the asset and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is recorded for the amount of income tax payable or refundable for the period increased or decreased by the change in deferred tax assets and liabilities during the period.

WGI HOLDINGS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

d) **Earnings or (Loss) Per Share**

The Company adopted FAS No. 128, "Earning per Share" which requires disclosure on the financial statements of "basic" and "diluted" earnings (loss) per share. Basic earnings (loss) per share are computed by dividing net income (loss) by the weighted average number of common shares outstanding for the year. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding plus common stock equivalents (if diluted) related to stock options and warrants each year.

e) **Concentration of Credit Risk**

SFAS No. 105, "Disclosure of Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk", requires disclosure of any significant off-balance sheet risk and credit risk concentration. The Company does not have significant off-balance sheet risk or credit concentration.

f) **Use of Estimates**

Preparation of financial statements in accordance with accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results may ultimately differ for those estimates although management does not believe such changes will materially affect the financial statements in any individual year.

g) **Resent Accounting Pronouncements**

In January 2003, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 46 "Consolidation of Variable Interest Entities", an interpretation of ARB No. 51 ("FIN 46"). The FASB issued a revised FIN 46 in December 2003 which modifies and clarifies various aspects of the original interpretations. A Variable Interest Entity ("VIE") is created when (i) the equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties or (ii) equity holders either (a) lack direct or indirect ability to make decisions about the entity, (b) are not obligated to absorb expected losses of the entity or (c) do not have the right to receive expected residual returns of the entity if they occur. If an entity is

WGI HOLDINGS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

deemed to be a VIE, pursuant to FIN 46, an enterprise that absorbs a majority of the expected losses of the VIE is considered the primary beneficiary and must consolidate the VIE. For VIEs created before January 31, 2003, FIN 46 was deferred to the end of the first interim or annual period ending after March 15, 2004. The adoption of FIN 46 did not have a material impact on the financial position or results of operations of the Company.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments With Characteristics of Both Liabilities and Equity", which requires issuers to classify as liabilities the following NINE types of freestanding financial instruments: (1) mandatory redeemable financial instruments, (2) obligations to repurchase the issuer's equity shares by transferring assets; and (3) certain obligations to issue a variable number of shares. The Company adopted SFAS No. 150 for the year ended December 31, 2003. The adoption of SFAS No. 150 did not have a material impact on the financial position or results of operations of the Company.

In December 2003, the SEC issued Staff Accounting Bulletin ("SAB") No. 104 "Revenue Recognition" which supersedes SAB 101, "Revenue Recognition in Financial Statements". SAB 104's primary purpose is to rescind the accounting guidance contained in SAB 101 related to multiple element revenue arrangements, superseded as a result of the issuance of EITF 00-21. The Company adopted the provisions of SAB No. 104 for the year ended December 31, 2003. The adoption of SFAS No. 104 did not have a material impact on the financial position or results of operations of the Company.

In December 2003, a revision of SFAS No. 132, "Employers' Disclosure about Pension and Other Post-retirement Benefits" was issued, revising disclosures about pension plans and other post retirements benefits plans and requiring additional disclosures about the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit post-retirement plans. The revision of SFAS No. 132 did not have a material impact on the company's financial statements.

In March 2004, FASB issued an exposure draft of a new standard entitled "Share Based Payment" which would amend SFAS No. 123, Accounting for Stock Based Compensation," and SFAS No. 95, "Statement of Cash Flows." Among other items, the new standard would require the expensing, in the financial statements, of stock options issued by the Company. The new standard, as proposed, would be effective for periods beginning after SEPTEMBER 15, 2005. The adoption of SFAS No. 123 and SFAS No. 95 are not expected to have a material impact on the financial position or results of operations of the Company.

WGI HOLDINGS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

In December 2004, the FASB issued SFAS No. 123R, "Share-Based Payment". SFAS No. 123R is a revision of SFAS No. 123, Accounting for Stock Based Compensation", and supersedes APB 25. Among other items, SFAS 123R eliminates the use of APB 25 and the intrinsic value method of accounting, and requires companies to recognize the cost of employee services received in exchange for awards of equity instruments, based on the grant date fair value of those awards, in the financial statements. The effective date of SFAS 123R is the first reporting period beginning after September 15, 2005, which is the third quarter 2005 for calendar year companies, although early adoption is allowed. SFAS 123R permits companies to adopt its requirements using either a "modified prospective" method, or a "modified retrospective" method. Under the "modified prospective" method, compensation cost is recognized in the financial statements beginning with the effective date, based on the requirements of SFAS No. 123R for all share-based payments granted after that date, and based on the requirements of SFAS No. 123 for all unvested awards granted prior to the effective date of SFAS No. 123R. Under the "modified retrospective" method, the requirements are the same as under the "modified prospective" method, but also permits entities to restate financial statements of previous periods based on proforma disclosures made in accordance with SFAS No. 123.

In March 2005, the FASB issued interpretation No. 47, "Accounting for Conditional Assets Retirement Obligations" ("FIN 47"), which will result in (a) more consistent recognition of liabilities relating to asset retirement obligations, (b) more information about expected future cash outflows associated with those obligations, and (c) more information about investments in long-lived assets because additional asset retirement costs will be recognized as part of the carrying amounts of the assets. FIN 47 clarifies that the term "conditional asset retirement obligation" as used in SFAS 143, "Accounting for Asset Retirement Obligations," refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and/or method of settlement. Uncertainty about the timing and/or method of settlement of a conditional asset retirement obligation should be factored into the measurement of the liability when sufficient information exists. FIN 47 also clarifies when an entity would have sufficient to reasonably estimate the fair value of an asset retirement obligation. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. Retrospective application of interim financial information is permitted but is not required. Early adoption of this interpretation is encouraged. As FIN 47 was recently issued, the Company has not

WGI HOLDINGS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

determined whether the interpretation will have a significant effect on its financial position or results of operations.

In September 2011 Accounting Standards Update No. 2011-08, Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for impairment. This ASU's objective is to simplify the process of performing impairment testing for Goodwill. With this update a company is allowed to assess qualitative factors, first, to determine if it is more likely than not (greater than 50%) that the FV is less than the carrying amount. This would be done, prior to performing the two-step goodwill impairment testing, as prescribed by Topic 350. Prior to this ASU, all entities were required to test, annually, their good will for impairment by Step 1 - comparing the FV to the carrying amount, and if impaired, then step 2 - calculate and recognize the impairment. Therefore, the fair value measurement is not required, until the "more likely than not" reasonableness test is concluded. Effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011.

In May 2011, FASB issued Accounting Standards Update No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. This ASU clarifies the board's intent of current guidance, modifies and changes certain guidance and principles, and adds additional disclosure requirements concerning the 3 levels of fair value measurements. Specific

amendments are applied to FASB ASC 820-10-35, Subsequent Measurement and FASB ASC 820-10-50, Disclosures. This ASU is effective for interim and annual periods beginning after December 15, 2011.

In December 2010, the FASB Accounting Standards Update 2010-29 Business Combinations Topic 805, which requires a public entity to disclose pro forma information for business combinations that occurred in the current reporting period. The disclosures include pro forma revenue and earnings of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. If comparative financial statements are presented, the pro forma revenue and earnings of the combined entity for the comparable prior reporting period should be reported as though the acquisition date for all business combinations that occurred during the current year had been as of the beginning of the comparable prior annual reporting period. Effective for business

WGI HOLDINGS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010.

In April 2010, the FASB issued ASU No. 2010-18 regarding improving comparability by eliminating diversity in practice about the treatment of modifications of loans accounted for within pools under Subtopic 310-30 – Receivable – Loans and Debt Securities Acquired with Deteriorated Credit Quality (“Subtopic 310-30”). Furthermore, the amendments clarify guidance about maintaining the integrity of a pool as the unit of accounting for acquired loans with credit deterioration. Loans accounted for individually under Subtopic 310-30 continue to be subject to the troubled debt restructuring accounting provisions within Subtopic 310-40, Receivables—Troubled Debt Restructurings by Creditors. The amendments in this Update are effective for modifications of loans accounted for within pools under Subtopic 310-30 occurring in the first interim or annual period ending on or after July 15, 2010. The amendments are to be applied prospectively. Early adoption is permitted. We are currently evaluating the impact of this ASU; however, we do not expect the adoption of this ASU to have a material impact on our financial statements.

In February 2010, the FASB issued ASU No. 2010-09 regarding subsequent events and amendments to certain recognition and disclosure requirements. Under this ASU, a public company that is a SEC filer, as defined, is not required to disclose the date through which subsequent events have been evaluated. This ASU is effective upon the issuance of this ASU.

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

h) **Management Certification**

The financial statements herein are certified by the officers of the Company to present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States of America, consistently applied.

i) **Dividends**

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid during the periods shown.

WGI HOLDINGS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

j) **Accounts Receivable**

The trade accounts receivable and allowances for bad debt are shown below.

	12/31/12
Trade Accounts Receivable	\$ 0
Allowances	<u>0</u>
Trade Accounts Receivable, net	<u>\$ 0</u>

k) **Office Equipment**

Office equipment will be stated at cost. Depreciation will be compute using the declining balance method over their estimated useful lives. Maintenance and repairs are charged to expense as incurred.

	12/31/12
Office equipment	\$ 0
Accumulated Depreciation	<u>0</u>
Office equipment, net	<u>\$ 0</u>

l) **Revenue Recognition**

The Company follows industry standards in reporting its revenues.

m) **Advertising**

Advertising is expensed when incurred. There has been no advertising since inception.

4. **Advances from Shareholders**

The advances from a shareholder are unsecured, non-interest bearing and have no fixed terms of repayment.

WGI HOLDINGS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

5. Capital Stock

Authorized

100,000,000,000 common shares, \$0.00001 par value per share

Issued

SEPTEMBER 30,
2012

Common Stock	203,931
Additional Paid-In Capital	<u>818,469</u>
Capital Stock	<u>\$ 1,022,400</u>
Shares Outstanding	22,699,482,350

6. Related Party Transactions and Balances

There have been no related party transactions during the period.

7. Income Taxes

The Company provides for income taxes under Statement of Financial Accounting Standards NO. 109 accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

SFAS No. 109 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded. The total deferred tax asset is \$6,960, which is calculated by multiplying a 15% estimated tax rate by the items making up the deferred tax account, the Net Operating Loss (NOL) of \$48,400.

WGI HOLDINGS INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)

The provision for income taxes is comprised of the net changes in deferred taxes less the valuation account plus the current taxes payable as shown in the chart below. For the year ended December 30, 2012 it is as follows.

Net changes in Deferred Tax Benefit less valuation account	0
Current Taxes Payable	0
Net Provision for Income Taxes	0

The federal NOL is due to expire 20 years from the date of its creation. The chart below shows the year of creation, the amount of each estimated year's NOL and the year of expiration if not utilized.

Year Created	Amount	Year to Expire
2010	\$ 34,401	2016 - 2030
2011	\$ 9,999	2031
2012	<u>\$ 6,275</u>	2032
Total NOL Carry forward	<u>\$ 50,675</u>	

The Company has not filed any federal income returns since inception.

9. Subsequent Events

The company did a reverse split during the subsequent to the period ending.

10. Operating Leases and other Commitments

The Company has no lease obligations.

11. Reliance on Officers

The President has experience in multi-company operations. If he were no longer able or willing to function in that capacity the Company would be negatively affected.