

# **Clean Energy Pathways, Inc.**

## **Financial Statements**

**As of and For the Periods Ended December 31, 2011 and 2010**

**CLEAN ENERGY PATHWAYS, INC.**

**TABLE OF CONTENTS**

	<u>Page No.</u>
<b>ACCOUNTANTS' COMPILATION REPORT .....</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Balance Sheets.....	2
Statements of Operations .....	3
Statements of Stockholders' Equity (Deficit).....	4
Statements of Cash Flows .....	5

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## **ACCOUNTANTS' COMPILATION REPORT**

To the Board of Directors  
Clean Energy Pathways, Inc.  
Dothan, Alabama 36301

We have compiled the accompanying balance sheet of Clean Energy Pathways, Inc. (a corporation) as of December 31, 2011 and 2010, and the related statements of operations, stockholders' equity, and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Clean Energy Pathways, Inc.

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January 28, 2012

**Clean Energy Pathways, Inc.**  
**F/K/A XcelPlus Global Holdings, Inc.**  
**Balance Sheets**

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 80,325	\$ 460,906
Accounts receivable	10,373	38,500
Income tax refund receivable	-	20,000
Prepaid expenses	-	19,685
Inventory	23,400	137,200
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Total current assets	114,098	676,291
Furniture, fixtures and equipment, net	9,117	40,553
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Total assets	\$ 123,215	\$ 716,844
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<b>Liabilities and Stockholders' Equity (Deficit)</b>		
Current Liabilities		
Trade accounts payable	\$ 97,928	\$ 75,645
Deferred revenue	-	4,935,191
Other accrued expenses	334,981	334,174
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Total liabilities	432,909	5,345,010
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Stockholders' Equity (Deficit)		
Common stock, \$.001 par value, 190,000,000 authorized, 142,409,162 and 56,709,162 issued and outstanding at December 31, 2011 and December 31, 2010, respectively	142,409	56,709
Convertible preferred stock, \$.001 par value, 10,000,000 authorized, 1,520,000 and 7,700,000 issued and outstanding at December 31, 2011 and December 31, 2010, respectively; each share convertible to 10 shares of common	1,520	7,700
Treasury stock, at cost; 620,000 shares at December 31, 2011 December 31, 2010, respectively	(196,599)	(196,599)
Additional paid-in capital	13,405,677	12,695,997
Retained earnings (deficit)	(13,662,701)	(17,191,973)
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Total stockholders' equity (deficit)	(309,694)	(4,628,166)
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Total liabilities and stockholders' equity (deficit)	\$ 123,215	\$ 716,844
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See accountants' compilation report.

**Clean Energy Pathways, Inc.  
F/K/A XcelPlus Global Holdings, Inc.  
Statements of Operations**

<i>For the years ended December 31,</i>	<b>2011</b>	<b>2010</b>
<b>Revenue</b>	\$ 2,301,369	\$ 1,392,005
<b>Cost of Goods Sold</b>	2,254,362	2,457,232
<b>Gross Margin</b>	47,007	(1,065,227)
<b>Operating Expenses (including share-based payment transactions of \$789,200 and \$975,000)</b>	1,448,218	4,211,062
<b>Net Loss Before Non-Operating Income</b>	(1,401,211)	(5,276,289)
<b>Other Non-Operating Income</b>	4,930,483	-
<b>Net Loss Before Taxes</b>	3,529,272	(5,276,289)
<b>Provision For Income Taxes</b>	-	-
<b>Net Income (Loss)</b>	\$ 3,529,272	\$ (5,276,289)

<b>Net loss per share:</b>		
<b>Basic</b>	\$ 0.03	\$ (0.10)
<b>Diluted</b>	\$ 0.03	\$ (0.10)
<b>Weighted average number of shares outstanding: basic</b>	116,422,751	55,111,902
<b>Weighted average number of shares outstanding: diluted</b>	116,422,751	55,111,902

See accountants' compilation report.

**Clean Energy Pathways, Inc.**  
**F/K/A XcelPlus Global Holdings, Inc.**  
**Statements of Stockholders' Equity (Deficit)**  
**For the Year Ended December 31, 2011**

	Common Stock		Preferred Stock		Treasury Stock		Additional Paid-in Capital	Accumulated (Deficit)	Total Stockholders' Equity (Deficit)
	Number of Shares	\$0.001 Par Value	Number of Shares	\$0.001 Par Value	Number of Shares	Cost			
<b>Balance, December 31, 2010</b>	56,709,162	\$ 56,709	7,700,000	\$ 7,700	620,000	(196,599)	\$ 12,695,997	\$ (17,191,973)	\$ (4,628,166)
Stock issued for services	18,900,000	18,900	500,000	500	-	-	769,800	-	789,200
Conversion from preferred to common	66,800,000	66,800	(6,680,000)	(6,680)	-	-	(60,120)	-	-
Net Income	-	-	-	-	-	-	-	3,529,272	3,529,272
<b>Balance, December 31, 2011</b>	<b>142,409,162</b>	<b>\$ 142,409</b>	<b>1,520,000</b>	<b>\$ 1,520</b>	<b>620,000</b>	<b>\$ (196,599)</b>	<b>\$ 13,405,677</b>	<b>\$ (13,662,701)</b>	<b>\$ (309,694)</b>

See accountants' compilation report.

**Clean Energy Pathways, Inc.**  
**F/K/A XcelPlus Global Holdings, Inc.**  
**Statements of Cash Flows**

<i>For the years ended December 31,</i>	<b>2011</b>	<b>2010</b>
<b>Operating Activities</b>		
Net income (loss)	\$ 3,529,272	\$ (5,276,289)
Adjustments to reconcile net loss to cash provided by operating activities		
Depreciation	2,676	1,162
Common stock issued for services	789,200	975,000
Loss on disposal of assets	28,760	-
(Increase) decrease in:		
Accounts receivable	28,127	173,538
Prepaid expenses	19,685	(13,185)
Prepaid income taxes	20,000	(20,000)
Inventory	113,800	(137,200)
Increase (decrease) in:		
Accounts payable	22,283	(197,977)
Accrued compensation	-	(200,000)
Deferred revenue	(4,935,191)	2,677,651
Other accrued expenses	807	(68,140)
<b>Cash used in operating activities</b>	<b>(380,581)</b>	<b>(2,085,440)</b>
<b>Financing Activities</b>		
Purchase of treasury stock	-	(196,599)
<b>Cash used in investing activities</b>	<b>-</b>	<b>(196,599)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(380,581)</b>	<b>(2,282,039)</b>
<b>Cash and Cash Equivalents - Beginning of period</b>	<b>460,906</b>	<b>2,742,945</b>
<b>Cash and Cash Equivalents - End of period</b>	<b>\$ 80,325</b>	<b>\$ 460,906</b>

See accountants' compilation report.